MAY 2 1 1982 1012-B Y 4. Ar5/2:Ac8/2/981

97TH CONGRESS
1st Session

COMMITTEE PRINT

No. 16

ORIGINAL COMPLETED

REPORT OF THE ACTIVITIES

OF THE

COMMITTEE ON ARMED SERVICES
U.S. HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

FIRST SESSION

CONVENED JANUARY 5, 1981

ADJOURNED DECEMBER 16, 1981

Prepared for the Committee on Armed Services
U.S. House of Representatives

U.S. GOVERNMENT PRINTING OFFICE

92-567 O

WASHINGTON : 1982

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CONTENTS

	Page
Powers and duties, Committee on Armed Services, 97th Congress	1
Background	1
Constitutional powers and duties	2
House rules on jurisdiction	2
Requirement for annual authorization	3
Investigative authority and legislative oversight	4
Committee rules	5
Rules governing procedure	5
Rules for investigative hearings conducted by subcommittees	13
Composition of the Committee on Armed Services	18
Subcommittees of the Committee on Armed Services	19
Subcommittee panels	20
Committee staff	21
Committee meetings	23
Legislative actions	23
Legislation enacted into law	23
Public Law 97-22 (H.R. 3807)	23
Public Law 97-39 (S. 694)	23
Public Law 97-60 (S. 1181)	24
Public Law 97-81 (H.R. 4792)	25
Public Law 97-86 (S. 815)	26
Public Law 97-89 (H.R. 3454)	33
Public Law 97-90 (H.R. 3413)	33
Public Law 97-94 (H.R. 4591)	36
Public Law 97-99 (H.R. 3455)	37
Legislation reported by not enacted	39
H.R. 3023	39
H.R. 3464	39
H.R. 4448	40
H.R. 4624	40
H.R. 4625	41
H. Res. 287	41
S. 266	41
Legislation considered but not reported	42
H.R. 745	42
H.R. 2603	42
H.R. 2784	42
H.R. 2912	43
H.R. 3364	43
H.R. 3946	43
H.R. 4529	44
Proposals for a new educational assistance program (H.R. 1400, H.R. 1811, H.R. 2399, H.R. 2579, H.R. 2790, H.R. 3340, H.R. 3713 and H.R. 3997)	44
Other activities of the full committee	46
Reports to the Budget Committee	46
Fiscal year 1982	46
Fiscal year 1982 reconciliation	46
Continental air defense	47
The President's strategic modernization program	48
Committee delegation visits	48
Delegation visit to the Indian Ocean area	48
Delegation visit to Eastern Europe, the Federal Republic of Germany and France	49

Other activities of the full committee—Continued
Committee delegation visits—Continued Page
Delegation visit to Panama and Bermuda 50
Delegation visit to the Defence Committee of the House of Commons .. 51
Other activities of subcommittees 52
Investigations Subcommittee 52
Defense acquisition process 52
Contingency U.S. military bases in the Western Pacific 53
Physical security at U.S. military bases 53
Proposed procurement of 9mm handgun 54
Medical support equipment 55
International military evaluations 56
Impact on readiness of issuing of Certificates of Competency 57
Army tank program 57
Nonappropriated Fund Panel 58
Military Installations and Facilities Subcommittee 63
Intelligence-community construction requirements at Fort Meade, Maryland 63
Navy's relocation study of certain Navy headquarters activities from leased space to government-owned space in the national capital region 64
Real estate acquisition and disposal reports 64
Minor construction projects 64
Cost-variation reports 64
Military Personnel and Compensation Subcommittee 65
Meeting with the Subcommittee on Manpower and Personnel of the North Atlantic Assembly 65
Benefits for former spouses of military retirees 65
Procurement and Military Nuclear Systems Subcommittee 66
The Los Alamos National Laboratory protective guard force 66
Uranium ore residues; Potential hazards and disposition 68
Profit limitations on defense contracts 69
Arms control and disarmament matters 70
Defense Procurement Procedures Panel 71
Seapower and Strategic and Critical Materials Subcommittee 72
Trident and SSN-688 construction programs 72
Ship overhauls 72
Sale of commodities authorized for disposal from the National Defense Stockpile 72

POWERS AND DUTIES, COMMITTEE ON ARMED SERVICES, 97TH CONGRESS

BACKGROUND

The House Committee on Armed Services, a standing committee of Congress, was established on January 2, 1947, as a part of the Legislative Reorganization Act of 1946 (60 Stat. 812), by merging the Committees on Military Affairs and Naval Affairs. The Committees on Military Affairs and Naval Affairs were established in 1822. In 1885, jurisdiction over military and naval appropriations was taken from the Committee on Appropriations and given to the Committees on Military Affairs and Naval Affairs, respectively. This policy continued until July 1, 1920, when jurisdiction over all appropriations was again placed in the House Committee on Appropriations.

In the 93d Congress, following a study by the House Select Committee on Committees, the House passed H. Res. 988, the Committee Reform Amendments of 1974, to be effective January 3, 1975. As a result of those amendments, the jurisdictional areas of the Committee on Armed Services remained essentially unchanged. However, oversight functions were amended to require each standing committee to review and study on a continuing basis all matters within the jurisdiction of the committee. Also, the Committee on Armed Services was to review and study on a continuing basis all laws, programs, and government activities dealing with or involving international arms control and disarmament and the education of military dependents in schools.

The rules changes adopted by the House (H. Res. 5) on January 4, 1977, placed new responsibilities in the atomic energy field in the Armed Services Committee. Those responsibilities involved the national security aspects of atomic energy theretofore under the jurisdiction of the Joint Committee on Atomic Energy. Public Law 95–110, effective September 20, 1977, abolished the Joint Committee on Atomic Energy.

With the adoption of H. Res. 658 on July 14, 1977, which established the House Permanent Select Committee on Intelligence, the jurisdiction of the Armed Services Committee over intelligence matters was diminished.

That resolution gave the Permanent Select Committee on Intelligence oversight responsibilities for intelligence and intelligence-related activities and programs of the U.S. Government. Specifically, the Permanent Select Committee on Intelligence has exclusive legislative jurisdiction regarding the Central Intelligence Agency and the Director of Central Intelligence, including authorizations. Also, legislative jurisdiction over all intelligence and intelligence-related activities and programs was vested in the select committee, except that other committees with a jurisdictional interest may request

condideration of any such matters. Accordingly, as a matter of practice, this committee shares jurisdiction over the authorization process involving intelligence-related activities.

The Armed Services Committee continues to have shared cognizance over general intelligence activities not within the exclusive jurisdiction of the select committee and continues to have access to intelligence information.

Constitutional Powers and Duties

The powers and duties of Congress in relation to national defense matters stem from Article I, section 8, of the Constitution, which provides, among other things, that the Congress shall have power to—

Raise and support armies;

Provide and maintain a navy;

Make rules for the government and regulation of the land and naval forces;

Provide for calling forth the militia;

Provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States;

Exercise exclusive legislation * * * over all places purchased * * * for the erection of forts, magazines, arsenals, dockyards, and other needful buildings; and

Make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

House Rules on Jurisdiction

Rule X of the Rules of the House of Representatives established the standing committees of the House and their jurisdiction. Under that rule, all bills, resolutions, and other matters relating to the subjects within the jurisdiction of any standing committee shall be referred to such committees. Rule X.1.(c) established the jurisdiction of the Committee on Armed Services as follows:

(1) Common defense generally.

(2) The Department of Defense generally, including the Departments of the Army, Navy, and Air Force generally.

(3) Ammunition depots; forts; arsenals; Army, Navy, and Air Force reservations and establishments.

(4) Conservation, development, and use of naval petroleum and oil shale reserves.

(5) Pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces.

(6) Scientific research and development in support of the armed services.

(7) Selective service.

(8) Size and composition of the Army, Navy, and Air Force.

(9) Soldiers' and sailors' homes.

(10) Strategic and critical materials necessary for the common defense.

(11) Military applications of nuclear energy.

In addition to its legislative jurisdiction and general oversight function, the committee has special oversight functions with re-

spect to international arms control and disarmament and military dependents' education.

Requirement for Annual Authorization

The role of the committee in defense policy-making was increased significantly in 1959 by the enactment of Public Law 86-149 (section 412(b)) which required annual congressional authorization of appropriations for the procurement of aircraft, missiles, and naval vessels. This law has been amended and expanded as follows:

In 1962 (Public Law 87-436) to require similar authorization for research, development, test, and evaluation associated with aircraft, missiles, and naval vessels.

In 1963 (Public Law 88-174) to require authorization of appropriations for all research, development, test, and evaluation carried out by the Department of Defense.

In 1965 (Public Law 89-37) to require authorization of appropriations for procurement of tracked combat vehicles.

In 1967 (Public Law 90-168) to require annual authorization of the personnel strengths of each of the Selected Reserves of the Reserve components as a prior condition for the appropriation of funds for the pay and allowances for the Reserve components.

In 1969 (Public Law 91-121) to require authorization of appropriations for procurement of other weapons for the use of any armed force of the United States (essentially heavy, medium, and light artillery; antiaircraft weapons; rifles; machineguns; mortars; small arms weapons; and any crew-fired piece using fixed ammunition).

In 1970 (Public Law 91-441) to require authorization of appropriations for procurement of torpedoes and related support equipment; and to require authorization by Congress of average annual active-duty personnel strength for each component of the Armed Forces (subsequently amended by Public Law 92-436 to substitute an annual "end strength for active-duty personnel" requirement in lieu of an "average annual active-duty personnel strength").

In 1972 (Public Law 92-436) to require authorization of the average military training student loads for each component of the Armed Forces. Such authorization is not required for unit recruit training student loads but is required for student loads for the following individual training categories: recruit and specialized training, flight training, professional training in military and civilian institutions and officer acquisition training.

In 1973 (Public Law 93-155) to require authorization of the end strength for civilian employees for each component of the Department of Defense for each year, commencing with the fiscal year which began on July 1, 1974. Section 803 of Public Law 93-155 also provided for the codification of the above requirements for annual authorization of appropriations for the Armed Forces as sections 138 and 139 of chapter 4, title 10, United States Code. Thus permanent law requires that author-

ization must precede appropriations for, or obligations or expenditures of funds for, the Armed Forces.

In 1975 (Public Law 94-106) to require authorization of military construction. Although most Department of Defense construction programs had already been subject to annual authorization, this amendment to the basic statute brought them even more specifically under authorization.

In 1976 (Public Law 94-361) to require annual authorization of appropriations for the civil defense program.

In 1980 (Public Law 96-342) to require annual authorization of appropriations for operations and maintenance in the Department of Defense.

In 1981 (Public Law 97-86) to require annual authorization of appropriations for ammunition and for other procurement.

The jurisdiction of the committee was also increased through the redistribution of the jurisdiction formerly exercised by the Joint Committee on Atomic Energy with respect to the national security functions of the Department of Energy.

In 1974 Public Law 93-438 subjected appropriations for the Energy Research and Development Administration to annual authorization.

In 1977 Public Law 95-91 created the Department of Energy, abolished the Energy Research and Development Administration and transferred its functions to the Department of Energy, and subjected appropriations to carry out the provisions of the law to annual authorization.

In 1977 Public Law 95-110 abolished the Joint Committee on Atomic Energy.

Investigative Authority and Legislative Oversight

H. Res. 988, 93d Congress, the Committee Reform Amendments of 1974, amended rule XI, clause 1(b), of the Rules of the House of Representatives, to provide general authority for each committee to investigate matters within its jurisdiction. That amendment established a permanent investigative authority and relieves the committee of the former requirement of obtaining a renewal of the investigative authority by a House resolution at the beginning of each Congress. H. Res. 988 also amended rule X of the Rules of the House of Representatives by requiring, as previously indicated, that the standing committees are to conduct legislative oversight in the area of their respective jurisdiction, and by establishing specific oversight functions for the Committee on Armed Services.

H. Res. 115, approved by the House of Representatives on March 25, 1981, provided funds for the oversight responsibilities to be conducted in the 1st Session of the 97th Congress pursuant to rule X, clause 2 (b)(1), of the Rules of the House of Representatives (relating to general oversight responsibilities), clause 3(a) (relating to special oversight functions), and rule XI, clause 1(b) (relating to investigations and studies).

COMMITTEE RULES

The committee held its organizational meeting for the 97th Congress on February 2, 1981, and adopted the following rules governing procedure and rules for investigative hearings conducted by subcommittees:

RULES GOVERNING PROCEDURE

RULE 1. GENERAL

The rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

RULE 2. FULL COMMITTEE MEETING DATE

(a) The Committee on Armed Services will meet every Tuesday at 10 a.m., and at such other times as may be fixed by the Chairman, or by written request of members of the committee pursuant to House rule XI, clause 2(b).

(b) A Tuesday meeting of the committee may be dispensed with by the chairman, but such action may be reversed by a written request of a majority of the members.

RULE 3. SUBCOMMITTEE MEETING DATES

Each subcommittee is authorized to meet, hold hearings, receive evidence and report to the committee on all matters referred to it. Insofar as possible, meetings of the committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the chairman and subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

RULE 4. SUBCOMMITTEES

The Committee on Armed Services of the House of Representatives shall be organized to consist of the following standing subcommittees.

The Research and Development Subcommittee which shall have legislative jurisdiction over annual authorization for research and development; airlift; and related oversight.

The Seapower and Strategic and Critical Materials Subcommittee which shall have legislative jurisdiction over procurement and construction of naval vessels; sealift; antisubmarine warfare; disposal of naval vessels; strategic and critical materials necessary for the national defense; and related legislative oversight.

92-567 O—82——2

The Procurement and Military Nuclear Systems Subcommittee which shall have legislative jurisdiction over the annual authorization for procurement of aircraft, missiles, tracked combat vehicles, and the procurement category, other weapons; military application of nuclear energy, including research and development related thereto; intelligence matters related to national security; and related legislative oversight. The subcommittee also has oversight responsibilities with regard to international arms control and disarmament.

The Investigations Subcommittee which shall have legislative jurisdiction over Armed Services Procurement Regulations and related procurement matters; organization of the Department of Defense, including proposed reorganizations; commissaries and exchanges, clubs and related nonappropriated funds activities of the Armed Forces; naval petroleum reserves; and related legislative oversight; and investigative authority in relation to the committee's general oversight responsibilities.

The Military Personnel and Compensation Subcommittee which shall have legislative jurisdiction over authorized strengths; active-duty and reserve training; recruiting; Reserve Officers' Training Corps; Selective Service; military justice; enlistments and separations; awards; academies; human relations; medical care; pay and allowances; promotion; retirement; and related legislative oversight.

The Military Installations and Facilities Subcommittee which shall have legislative jurisdiction over military construction; real estate acquisitions and disposals; housing and support facilities; base closures; real estate generally; civil defense; and related legislative oversight.

The Readiness Subcommittee which shall have legislative jurisdiction over the annual authorization for operation and maintenance; the current readiness and preparedness requirements of the Defense establishment, including the supporting defense industrial base; and related legislative oversight.

Rule 5. Precedence

Chairmen of standing subcommittees who sit on a second subcommittee shall rank behind other members serving on that subcommittee as their primary subcommittee assignment.

Rule 6. Panels of the Full Committee and Subcommittees

(a) The chairman may designate a panel of the committee drawn from members of more than one subcommittee to inquire into and take testimony on a matter or matters that fall within the jurisdiction of more than one subcommittee and to report to the full committee. Any such panel shall not continue in existence for more than six months.

(b) The chairman of a standing subcommittee may designate a panel of such subcommittee to inquire into and take testimony on a specific matter within the jurisdiction of that subcommittee and to report to the subcommittee for further reference to the full committee as may be appropriate.

(c) No panels so appointed shall have legislative jurisdiction.

Rule 7. Reference of Legislation and Subcommittee Reports

(a) The chairman shall refer legislation and other matters to all subcommittees of appropriate jurisdiction within 2 weeks unless, by a majority vote of the members of the full committee, consideration is to be by the full committee.

(b) Bills shall be taken up for hearing only when called by the chairman of the full committee or subcommittee, or by a majority vote of a quorum of the full committee or a subcommittee.

(c) The chairman of the full committee, with approval of a majority of the members voting, a majority of the committee being present, shall have authority to discharge a subcommittee from consideration of any bill, resolution, or other matter referred thereto and have such measure or matter considered by the full committee.

(d) Reports and recommendations of a subcommittee shall not be considered by the full committee until after the intervention of 3 calendar days from the time the report is approved by the subcommittee and printed hearings thereon are available to the members, except that this rule may be waived by a majority vote of a quorum of the committee.

Rule 8. Public Annnouncement of Hearings and Meetings

The full commmittee and each subcommittee shall make public announcement of the date, place and subject matter of the full committee or subcommittee hearing at least 1 week before the commencement of the hearing. However, if the full committee or subcommittee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this rule shall be promptly published in the Daily Digest and promptly entered into the committee scheduling service of the House Information Systems.

Rule 9. Meetings and Hearings Open to the Public

(a) Each committee or subcommittee meeting for the transaction of business, including the markup of legislation, shall be open to the public except when the committee or subcommittee, in open session and with a majority being present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and/or subcommittee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public.

(b) Each hearing conducted by the full committee or subcommittee shall be open to the public except when the full committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance no less than two members of the committee or subcom-

mittee, may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security, or would tend to defame, degrade, or incriminate any person. If the decision is to close for national security reasons, the vote must be by rollcall vote and in open session, there being a majority of the committee or subcommittee present. Otherwise, if the decision is to close because the testimony may tend to defame, degrade, or incriminate any person, the vote may be by a majority of those present, there being in attendance no less than two members of the committee or subcommittee. However, if the committee or subcommittee elects to receive such testimony in open session, it may do so only if a majority of the members of the committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. No Member may be excluded from nonparticipatory attendance at any hearing of the full committee or subcommittee, unless the House of Representatives shall by majority vote authorize the full committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this rule for closing hearings to the public: *Provided, however,* That the full committee or the subcommittee may by the same procedure vote to close one subsequent day of hearing.

RULE 10. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

(a) In accordance with the provision of rule XI, clause 3, Rules of the House of Representatives, it is the purpose of this rule to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee or subcommittee hearings or meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage. In that regard, the provisions of rule XI, clause 3(a)–(d) are specifically incorporated herein by reference.

(b) The chairman of the full committee or the chairmen of the subcommittees are authorized to determine on behalf of the full committee or its subcommittees respectively whether hearings or meetings which are open may be broadcast, unless the committee or its subcommittees respectively by majority vote determine otherwise.

(c) In accordance with rule XI, clause 3(f), the following provisions shall apply to the broadcasting of committee or subcommittee hearings or meetings which are open to the public:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered

and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the executive committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or its subcommittees or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee or subcommittee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee or its subcommittees.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstructive manner.

RULE 11. QUORUM

A majority of the full committee or subcommittee shall constitute a quorum for reporting or tabling a measure or recommendation. A quorum for the purpose of taking testimony and receiving evidence by either the full committee or any subcommittee shall be not less than two. A quorum for taking any other action shall be not less than one-third of the members of the full committee or subcommittee, unless otherwise indicated in the committee rules.

RULE 12. THE FIVE-MINUTE RULE

(a) The time any one member may address the committee or subcommittee on any bill, motion or other matter under consideration shall not exceed 5 minutes and then only when the member has been recognized by the chairman, except that this time limit may be exceeded by unanimous consent. Any member, upon request, shall be recognized for not to exceed 5 minutes to address the committee or subcommittee on behalf of an amendment which the member has offered to any pending bill or resolution.

(b) Members present at a meeting of the committee or subcommittee when a meeting is originally convened will be recognized by the chairman alternately by party in the order or seniority. Those members arriving subsequently will be recognized in the order of their arrival, except that the chairman and the ranking minority member of the committee or subcommittee will take precedence upon their arrival.

RULE 13. SUBPENA AUTHORITY

The full committee, and all subcommittees, may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Any such subpena may be authorized and issued by the committee, or subcommittee, in the conduct of any investigation or a series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under this rule may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or any member designated by the committee.

RULE 14. WITNESS STATEMENTS

(a) Any prepared statement to be presented by a witness to the committee or a subcommittee shall be submitted to the committee at least 48 hours in advance of presentation and shall be distributed to all members of the committee or subcommittee at least 24 hours in advance of delivery. If a prepared statement contains security information bearing a classification of secret or higher, the statement shall be made available in the committee rooms to all members of the committee at least 24 hours in advance of delivery; however, no such statement shall be removed from the committee offices. The requirement of this rule may be waived upon a major-

ity of the full committee or any subcommittee, a quorum being present.

(b) The full committee and each subcommittee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

Rule 15. Administering Oaths to Witnesses

The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

Rule 16. Questioning of Witnesses

(a) When a witness is before the committee or subcommittee, members of the committee or subcommittee may put questions to the witness only when they have been recognized by the chairman for that purpose.

(b) Members of the committee or subcommittee who so desire shall have not to exceed 5 minutes to interrogate each witness until such time as each member has had an opportunity to interrogate such witness; thereafter, additional time for questioning witnesses by members is discretionary with the chairman.

(c) Questions put to witnesses before the committee or subcommittee shall be pertinent to the bill or other subject matter that may be before the commiteee or subcommittee for consideration.

Rule 17. Voting and Rollcalls

(a) Except as otherwise provided in these rules, voting on a measure or matter may be by rollcall vote, division vote, voice vote, or unanimous consent.

(b) Voting on reporting annual authorization bills shall be by rollcall vote.

(c) A rollcall of the members may be had upon the request of five or more members present, or in the case of subcommittees, on the request of one-fifth of a majority.

Rule 18. Proxy Vote

A member may vote by special proxy, which must be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. A proxy may be used in full committee or subcommittee. All proxies must be filed with the staff director and be available for inspection at any time.

Rule 19. Private Bills

No private bill will be reported by the committee if there are two or more dissenting votes. Private bills so rejected by the committee will not be reconsidered during the same Congress unless new evidence sufficient to justify a new hearing has been presented to the Congress.

Rule 20. Supplemental, Minority, Additional or Dissenting Views

If, at the time of approval of any measure or matter by the committee, any member of the committee gives timely notice of intention to file supplemental, minority, additional or dissenting views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the staff director of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter.

Rule 21. Points of Order

No point of order shall lie with respect to any measure reported by the full committee or any subcommittee on the ground that hearings on such measure were not conducted in accordance with the provisions of the committee rules; except that a point of order on that ground may be made by any member of the full committee or subcommittee which reported the measure if, in the full committee or subcommittee, such point of order was (a) timely made and (b) improperly overruled or not properly considered.

Rule 22. Public Inspection of Committee Rollcalls

(a) The result of each rollcall in any meeting of the committee shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voitng for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. With respect to each record vote by the committee on each motion to report any bill or resolution of public character, the total number of votes cast for and the total number of votes cast against the reporting of such bill or resolution shall be included in the committee report.

(b) In the event of such a rollcall vote or votes, when a member is in attendance at any other committee, subcommittee, or conference committee meeting during that time, that circumstance shall be so recorded in the rollcall record, upon timely notification to the chairman from that member.

Rule 23. Protection of National Security Information

(a) All national security information bearing a classification of secret or higher which has been received by the committee or a subcommittee shall be deemed to have been received in executive session and shall be given appropriate safekeeping.

(b) The chairman of the full committee shall, with the approval of the full committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any national security information received classified as secret or higher. Such procedures shall, however, ensure access to this information by any member of the committee or any other Member of the House of Representatives who has requested the opportunity to review such material.

Rule 24. Committee Staffing

The staffing of the full committee and the standing subcommittees shall be subject to the appropriate rules of the House of Representatives, including, among other things, the provisions of rule XI, clause 5(d).

Rules for Investigative Hearings Conducted by Subcommittees

I. Power To Sit and Act; Subpena Power

1. For the purpose of carrying out any of its functions and duties under House rules X and XI, a subcommittee is authorized (subject to subparagraph 2.A. of this paragraph):

> A. to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold hearings, and
>
> B. to require by subpena, or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents as it deems necessary. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

2. A. A subpena may be authorized and issued by a subcommittee under subparagraph 1.B. in the conduct of any investigation, or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. Authorized subpenas shall be signed only by the chairman of the committee, or by any member designated by the committee.

B. Compliance with any subpena issued by a subcommittee under subparagraph 1.B. may be enforced only as authorized or directed by the House. (House rule XI, clause 2(m); committee rule 13.)

II. Quorum

Each subcommittee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two. (House rule XI, clause 2(h); committee rule 11.)

III. Notice of Hearings

Each subcommittee shall make public announcement of the date, place, and subject matter of any subcommittee hearing at least 1 week before the commencement of the hearing. However, if the subcommittee determines there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this rule shall be promptly published in the Daily Digest and promptly entered into the committee scheduling service of the House Information Systems. (House rule XI, clause 2(g)(3); committee rule 8.)

IV. Meetings and Hearings

1. Each subcommittee meeting for the transaction of business, including the markup of legislation, shall be open to the public except when the subcommittee, in open session and with a majority being present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the subcommittee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. (House rule XI, clause 2(g)(1); committee rule 9(a).)

2. Each hearing conducted by a subcommittee shall be open to the public except when the subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance no less than two members of the committee or subcommittee, may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security, or would tend to defame, degrade, or incriminate any person. If the decision is to close for national security reasons, the vote must be by rollcall vote and in open session, there being a majority of the committee or subcommittee present. Otherwise, if the decision is to close because the testimony may tend to defame, degrade, or incriminate any person, the vote may be by a majority of those present, there being in attendance no less than two members of the committee or subcommittee. However, if the committee or subcommittee elects to receive such testimony in open session, it may do so only if a majority of the members of the committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. No Member may be excluded from nonparticipatory attendance at any hearing of any subcommittee, unless the House of Representatives shall by majority vote authorize a particular committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subparagraph for closing hearings to the public: *Provided, however,*

That the subcommittee may by the same procedure vote to close one subsequent day of hearing. (House rule XI, clause 2(g)(2); committee rule 9(b).)

V. Prepared Statements

Each witness who is to appear before a subcommittee shall, insofar as is practicable, file with the subcommittee (in advance of his or her appearance) a written statement of the proposed testimony. Such witness will limit his or her oral presentation to a brief summary of the statement.

Any prepared statement shall be submitted to the subcommittee at least 48 hours in advance of presentation and shall be distributed to all members of the subcommittee at least 24 hours in advance of delivery.

If a prepared statement contains security information bearing a classification of secret or higher, the statement shall be made available in the committee office to all members of the subcommittee at least 24 hours in advance of delivery; however, no such statement shall be removed from the committee office. The requirement of this rule may be waived upon a majority vote of the subcommittee, a quorum being present. (House rule XI, clause 2(g)(4); committee rule 14.)

VI. Opening Statement

The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation. (House rule XI, clause 2(k)(1).)

VII. Information for Witnesses

A copy of the committee rules and of clause 2(k) of House rule XI shall be made available to each witness.[1] (House rule XI, clause 2(k)(2).)

VIII. Right to Counsel

Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights. (House rule XI, clause 2(k)(3).)

IX. Form of Oath

Witnesses, when sworn, shall subscribe to the following oath:

> You do solemnly swear (or affirm) that the testimony you will give before this subcommittee in the matters now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?

X. Breaches of Order

The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion

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[1] The complete text of clause 2(k), House rule XI, is printed herein in subcommittee rules VI, VII, VIII, X, XI, XIII, XIV, and XV.

from the hearings; and the committee may cite the offender to the House for contempt. (House rule XI, clause 2(k)(4).)

XI. Defamatory Testimony or Evidence

Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(a) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of committee rule 9(b), if by a majority of those present, there being in attendance no less than two members of the subcommittee, the subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(b) the subcommittee shall proceed to receive such testimony in open session only if a majority of the members of the subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the subcommittee shall afford such person an opportunity voluntarily to appear as a witness, and receive and dispose of requests from such person to subpena additional witnesses. (House rule XI, clause 2(k)(5).)

XII. Photographing of Witnesses

No witness served with a subpena by the committee or a subcommittee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. (House rule XI, clause 3(f)(2); committee rule 10.)

XIII. Subpena of Additional Witnesses

Except as provided in investigative hearing rule XI above, the chairman shall receive and the subcommittee shall dispose of requests to subpena additional witnesses. (House rule XI, clause 2(k)(6).)

XIV. Testimony Taken in Executive Session

No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the subcommittee. (House rule XI, clause 2(k)(7).)

XV. Sworn Statements

In the discretion of the subcommittee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The subcommittee is the sole judge of the pertinency of testimony and evidence adduced at its hearings. (House rule XI, clause 2(k)(8).)

XVI. Transcript of Testimony

A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the subcommittee. (House rule XI, clause 2(k)(9).)

XVII. General

The rules of the House are the rules of its committees and subcommittees as far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. (House rule XI, clause 1(a)(1).)

(Committee Print 1; H.A.S.C. 97-7)

COMPOSITION OF THE COMMITTEE ON ARMED SERVICES

Pursuant to H. Res. 44 and H. Res. 45, adopted January 28, 1981, and H. Res. 242, adopted October 7, 1981, the following Members were elected to the Committee on Armed Services in the 1st Session of the 97th Congress:

MELVIN PRICE, Illinois, *Chairman*

CHARLES E. BENNETT, Florida
SAMUEL S. STRATTON, New York
RICHARD C. WHITE, Texas
BILL NICHOLS, Alabama
JACK BRINKLEY, Georgia
ROBERT H. MOLLOHAN, West Virginia
DAN DANIEL, Virginia
G. V. (SONNY) MONTGOMERY, Mississippi
LES ASPIN, Wisconsin
RONALD V. DELLUMS, California
PATRICIA SCHROEDER, Colorado
ABRAHAM KAZEN, JR., Texas
ANTONIO B. WON PAT, Guam
LARRY McDONALD, Georgia
BOB STUMP, Arizona
BEVERLY B. BYRON, Maryland
NICHOLAS MAVROULES, Massachusetts
DON BAILEY, Pennsylvania[2]
EARL HUTTO, Florida
IKE SKELTON, Missouri
MARVIN LEATH, Texas
DAVE McCURDY, Oklahoma
THOMAS M. FOGLIETTA, Pennsylvania
ROY DYSON, Maryland
DENNIS M. HERTEL, Michigan
JOSEPH F. SMITH, Pennsylvania[3]
WILLIAM L. DICKINSON, Alabama
G. WILLIAM WHITEHURST, Virginia
FLOYD SPENCE, South Carolina
ROBIN BEARD, Tennessee
DONALD J. MITCHELL, New York
MARJORIE S. HOLT, Maryland
ROBERT W. DANIEL, JR., Virginia
ELWOOD HILLIS, Indiana
DAVID F. EMERY, Maine
PAUL TRIBLE, Virginia
ROBERT E. BADHAM, California
CHARLES F. DOUGHERTY, Pennsylvania
JIM COURTER, New Jersey
LARRY J. HOPKINS, Kentucky
ROBERT W. DAVIS, Michigan
KEN KRAMER, Colorado
DUNCAN L. HUNTER, California
JAMES L. NELLIGAN, Pennsylvania
THOMAS F. HARTNETT, South Carolina

[2] Resigned from committee Feb. 24, 1981; elected to Ways and Means Committee.
[3] Elected to committee Oct. 7, 1981.

SUBCOMMITTEES OF THE COMMITTEE ON ARMED SERVICES

The following standing subcommittees were established at the committee's organizational meeting on February 2, 1981:

RESEARCH AND DEVELOPMENT

Mr. PRICE, *Chairman*

Mr. MOLLOHAN
Mr. DELLUMS
Mrs. SCHROEDER
Mr. MCDONALD
Mr. STUMP
Mr. HUTTO
Mr. WHITE
Mr. NICHOLS
Mr. DICKINSON
Mr. COURTER
Mr. BEARD
Mr. ROBERT DANIEL
Mr. EMERY
Mr. BADHAM
Mr. DAVIS

SEAPOWER AND STRATEGIC AND CRITICAL MATERIALS

Mr. BENNETT, *Chairman*

Mr. MOLLOHAN
Mr. MCDONALD
Mr. HUTTO
Mr. FOGLIETTA
Mr. DYSON
Mr. HERTEL
Mr. SPENCE
Mr. EMERY
Mr. TRIBLE
Mr. DOUGHERTY
Mr. HARTNETT

PROCUREMENT AND MILITARY NUCLEAR SYSTEMS

Mr. STRATTON, *Chairman*

Mrs. BYRON
Mr. MAVROULES
Mr. BAILEY[2]
Mr. LEATH
Mr. MCCURDY
Mr. HERTEL
Mr. PRICE
Mr. BENNETT[4]
Mrs. HOLT
Mr. HILLIS
Mr. BADHAM
Mr. COURTER
Mr. KRAMER
Mr. HUNTER

INVESTIGATIONS

Mr. WHITE, *Chairman*

Mr. MOLLOHAN
Mr. ASPIN
Mr. KAZEN
Mr. MAVROULES
Mr. STRATTON
Mr. BRINKLEY
Mr. DAN DANIEL
Mr. BEARD
Mr. ROBERT DANIEL
Mr. MITCHELL
Mr. HOPKINS
Mr. DAVIS
Mr. NELLIGAN

[2]Resigned from committee Feb. 24, 1981; elected to Ways and Means Committee.

[4]Resigned from Military Personnel and Compensation Subcommittee and appointed to Procurement and Military Nuclear Systems Subcommittee Oct. 22, 1981.

MILITARY PERSONNEL AND COMPENSATION

Mr. NICHOLS, *Chairman*

Mr. MONTGOMERY
Mr. ASPIN
Mr. WON PAT
Mrs. BYRON
Mr. SKELTON
Mr. BENNETT [4]
Mr. SMITH [5]
Mr. WHITE
Mr. MITCHELL
Mrs. HOLT
Mr. HILLIS
Mr. HOPKINS
Mr. HUNTER
Mr. HARTNETT

MILITARY INSTALLATIONS AND FACILITIES

Mr. BRINKLEY, *Chairman*

Mr. MONTGOMERY
Mr. KAZEN
Mr. WON PAT
Mr. HUTTO
Mr. FOGLIETTA
Mr. DYSON
Mr. BENNETT
Mr. TRIBLE
Mr. WHITEHURST
Mr. MITCHELL
Mr. DICKINSON
Mr. DOUGHERTY
Mr. KRAMER

READINESS

Mr. DAN DANIEL, *Chairman*

Mrs. SCHROEDER
Mr. STUMP
Mr. BAILEY [2]
Mr. SKELTON
Mr. LEATH
Mr. MCCURDY
Mr. SMITH [5]
Mr. WHITEHURST
Mr. DICKINSON
Mr. SPENCE
Mr. HILLIS
Mr. NELLIGAN

SUBCOMMITTEE PANELS [6]

The following subcommittee panels were appointed during the 1st Session of the 97th Congress:

NONAPPROPRIATED FUND PANEL OF THE INVESTIGATIONS SUBCOMMITTEE

(Appointed February 4, 1981)

Mr. DAN DANIEL, *Chairman*

Mr. STRATTON
Mr. ASPIN
Mr. BEARD
Mr. ROBERT DANIEL

DEFENSE PROCUREMENT PROCEDURES PANEL OF THE PROCUREMENT AND MILITARY NUCLEAR SYSTEMS SUBCOMMITTEE

(Appointed June 15, 1981)

Mr. MCCURDY, *Chairman*

Mrs. BYRON
Mr. LEATH
Mr. KRAMER
Mr. HUNTER

[5] Appointed to subcommittee Oct. 22, 1981.
[6] See committee rule 6.

COMMITTEE STAFF (INCLUDING STAFF EMPLOYED UNDER COMMITTEE EXPENSE RESOLUTION)

By committee resolution adopted at the organizational meeting on February 2, 1981, or authority of the chairman, the following persons were appointed to the staff of the committee during the 1st Session of the 97th Congress:

PROFESSIONAL STAFF

JOHN J. FORD, *Staff Director*
WILLIAM H. HOGAN, Jr., *General Counsel*
ANTHONY R. BATTISTA, *Professional Staff Member*
G. KIM WINCUP, *Counsel*
MICHAEL A. WEST, *Professional Staff Member*
WILLIAM D. PRICE, *Professional Staff Member*
PAUL L. TSOMPANAS, *Professional Staff Member*
ADAM J. KLEIN, *Counsel*
LOU KRISER, *Professional Staff Member*
JUSTUS P. WHITE, Jr., *Professional Staff Member*
LEROY J. SPENCE, *Counsel* (retired June 26, 1981)
PETER C. SCRIVNER, *Professional Staff Member*
THOMAS E. COOPER, *Professional Staff Member*
EDWARD J. BAUSER, *Professional Staff Member*
ROBERT M. EMMERICHS, *Professional Staff Member*
MARY ANN GILLEECE, *Counsel*
EMMA M. BROWN, *Financial Assistant*
NANCY JONES, *Executive Secretary*
WILLISTON B. COFER, Jr., *Professional Staff Member*
RUSSELL D. HALE, *Professional Staff Member* (resigned June 17, 1981)
SEYMOUR SHWILLER, *Professional Staff Member*
FREDERICK A. SCHATZMAN, *Professional Staff Member* (resigned August 7, 1981)
ALMA B. MOORE, *Research Assistant*
JAMES C. WATERS, *Investigator*
DONALD L. CAMPBELL, *Professional Staff Member*
STEPHEN P. SLOCOMB, *Investigator* (resigned September 28, 1981)
RICHARD T. LUNGER, Jr., *Professional Staff Member*
KAREN S. HEATH, *Professional Staff Member* (appointed February 16, 1981)
ALAN C. CHASE, *Professional Staff Member* (appointed March 1, 1981)
ARCHIE D. BARRETT, *Professional Staff Member* (appointed May 12, 1981)
ROBERT E. SCHAFER, *Professional Staff Member* (appointed June 1, 1981)

Clerical Staff

Ann R. Willett, *Secretary*
Joyce C. Bova, *Secretary*
Rita D. Argenta, *Secretary*
Georgia C. Osterman, *Secretary*
Maurita L. McAfee, *Secretary*
Brenda J. Jones, *Secretary*
E. Amber Poindexter, *Secretary*
Kathleen A. Lipovac, *Secretary*
Jennifer L. Benedict, *Secretary*
Sharon A. Knott, *Calendar Clerk*
Andrea M. Doty, *Secretary*
L. Ruth Ludeman, *Secretary*
Linda V. Burton, *Staff Assistant*
Diane Craun, *Secretary*
Pamela B. Scott, *Secretary*
Karen C. Johnson,, *Receptionist* (resigned December 31, 1981)
Vera L. Oswald, *Secretary*
Betty B. Gray, *Secretary*
Elaine L. Barnes, *Secretary* (appointed March 30, 1981; resigned August 31, 1981)
Elizabeth A. Spina, *Secretary* (appointed October 28, 1981)
James A. Deakins, *Clerical Staff Assistant* (retired July 31, 1981)
Issiah Hardy, *Clerical Staff Assistant*
Frank A. Barnes, *Clerical Staff Assistant*

COMMITTEE MEETINGS

A total of 296 meetings and briefings were held by the Committee on Armed Services, its subcommittees and panels during the 1st Session of the 97th Congress. A breakdown of the meetings and briefings follows:

Full committee	63
Subcommitttees and panels:	
Investigations Subcommittee	31
Nonappropriated Fund Panel	0
Military Installations and Facilities Subcommittee	32
Military Personnel and Compensation Subcommittee	29
Procurement and Military Nuclear Systems Subcommittee	46
Defense Procurement Procedures Panel	14
Readiness Subcommittee	27
Research and Development Subcommittee	29
Seapower and Strategic and Critical Materials Subcommittee	25

LEGISLATIVE ACTIONS

LEGISLATION ENACTED INTO LAW

PUBLIC LAW 97-22 (H.R. 3807)

To make technical corrections in the Defense Officer Personnel Management Act

Public Law 97-22 makes technical, clerical, conforming and clarifying amendments to the Defense Officer Personnel Management Act (Public Law 96-513). Together these public laws have revised the laws governing the appointment, promotion, separation and retirement of military officers.

Many of the amendments included in Public Law 97-22 are purely technical in nature. Other amendments were needed in order to clarify the original intent by removing ambiguity. Most amendments were needed to smooth the transition to the new statutory authority enacted by Public Law 96-513.

Public Law 97-22 will result in no cost to the government.

(H. Rept. 97-141; H.A.S.C. 97-8) Date of enactment: July 10, 1981

PUBLIC LAW 97-39 (S. 694)

To authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes.

Title I of Public Law 97-39 provides that, in addition to funds authorized to be appropriated under Title I of Public Law 96-342, $2,188,994,000 is authorized to be appropriated for procurement of aircraft, missiles, naval vessels and tracked combat vehicles for fiscal year 1981.

Title II provides for a supplemental authorization of $480,928,000 for fiscal year 1981 for use of the Armed Forces for research, development, test and evaluation.

Title III of the law increases the authorized active-duty end strengths for fiscal year 1981 to the following:

Army, 780,000
Navy, 540,456
Marine Corps, 190,600
Air Force, 569,000

Title IV of the law increases from 67 to 133 the number of Marine Corps reservists authorized to be on full-time active duty in fiscal year 1981 in support of the Marine Corps Reserve.

Title V of the law increases from 986,000 to 1,012,250 the number of civilian personnel authorized for the Department of Defense in fiscal year 1981.

Title VI of the law authorizes an additional $66,440,000 for military construction projects in fiscal year 1981.

Title VII of the law contains two provisions affecting military compensation.

Section 701 clarifies the authority to pay submarine career incentive pay to certain personnel, not designated as submariners, who—on a continual and regular basis—perform operational submarine duty.

Section 702 amends the effective date of section 10 of the Military Pay and Allowance Benefits Act of 1980 (Public Law 96-579) to authorize accrual of up to 90 days of leave for individuals in a deployed status who were unable to use the leave before the end of the fiscal year to also cover all personnel who have been deployed to the Indian Ocean.

(H. Rept. 97-20; S. Rept. 97-35; H. Conf. Rept. 97-204; H.A.S.C. 97-6) Date of enactment: August 14, 1981.

PUBLIC LAW 97-60 (S. 1181)

To increase the pay and allowances for members of the uniformed services, and for other purposes

Public Law 97-60 provides an increase in basic pay and allowances for members of the uniformed services, modifies various existing elements of compensation for certain military personnel, and authorizes new elements of compensation for other service members.

This public law increases basic pay by amounts ranging from 10 percent to 17 percent depending on pay grade as follows: E-1, 10 percent; E-2 and E-3, 10.7 percent; E-4, 13 percent; E-5 and E-6, 16.5 percent; E-7, E-8, and E-9, 17 percent; warrant and commissioned officers, 14.3 percent. Basic allowance for quarters and basic allowance for subsistence are increased by 14.3 percent for all pay grades.

Hazardous-duty incentive pay for enlisted personnel is increased to $83 per month, and three additional categories of personnel are added to the list of those eligible for hazardous-duty incentive pay. The public law further creates a special pay for Airborne Warning and Control System (AWACS) aircraft air weapons controllers

ranging from $125 to $350 monthly depending on years of weapons controller experience.

In addition to increasing diving pay and aviation career incentive pay for officers with over six years of aviation service, the public law revises the method of computation for submarine-duty incentive pay, provides sea pay for members of two-crew submarines, and authorizes a $3,000 accession bonus for surface nuclear power applicants and a continuation bonus of up to $3,000 per year for critical engineering and scientific skills.

Public Law 97-60 increases the maximum enlistment bonus to $8,000, limits the initial payment of the bonus to $5,000, and authorizes a two-year test program of bonuses for a three-year enlistment.

The public law also makes a number of changes in general travel and transportation allowances. Reimbursement may be made only for travel actually performed. Travel entitlements are restricted for individuals who fail to complete at least 90 percent of their original enlistment or who are discharged under other than honorable conditions. Payment is also restricted for travel and transportation outside the United States at the time of retirement.

In addition, Public Law 97-60 contains language relative to the calculation of reenlistment bonuses, active service agreements for nuclear qualified officers, the temporary storage of household goods, the shipment of members' vehicles, the temporary lodging allowance, environmental and emergency leave, advance payment of evacuation and dislocation allowances, uniform allowances and advance pay for members of the Armed Forces Health Professions Scholarship Program, an increase in the number of Reserve Officers' Training Corps scholarships, nominations to service academies, the issuance of regulations by the Secretary of the Navy, per diem for members of the Naval Research Advisory Committee, reimbursement for accommodations during ship repairs, and the age limitation for service on local Selective Service Boards.

Public Law 97-60 is estimated to cost $3.128 billion in fiscal year 1982 and $4.098 billion by fiscal year 1986.

(H.Rept. 97-109, Part 1 (Armed Services) and Part 2 (Appropriations); S.Rept. 97-146; H.Conf.Rept. 97-265) Date of enactment: October 14, 1981.

PUBLIC LAW 97-81 (H.R. 4792)

To amend title 10, United States Code, to improve the military justice system

Public Law 97-81 amends the Uniform Code of Military Justice in five areas: (1) appellate reviews, (2) post-trial confinement, (3) the right to individual military counsel, (4) notice of the right to petition the United States Court of Military Appeals, and (5) review of certain trial records by the Judge Advocates General.

Public Law 97-81 will result in no cost to the government.

(H. Rept. 97-306; S. Rept. 97-146; H.A.S.C. 97-26; H.A.S.C. 97-29) Date of enactment: November 20, 1981.

To authorize appropriations for fiscal year 1982 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes

Title I of Public Law 97-86 authorizes $48,000,598,000 for procurement of aircraft, missiles, naval vesels, tracked combat vehicles and other weapons subject to authorization.

Section 102 authorizes $344,300,000 to be available only for contribution by the United States of its share of the cost for acquisition by NATO of the Airborne Warning and Control System (AWACS).

Section 103 provides waivers for the Secretary of Defense in carrying out Multilateral Memoranda of Understanding between NATO Ministers of Defense on the NATO E-3A Cooperative Programme. Under this authority the Secretary of Defense may:

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed by the U.S. Air Force AWACS program office:

(A)—auditing;
(B)—quality assurance;
(C)—codification;
(D)—inspection;
(E)—contract administration;
(F)—acceptance testing;
(G)—certification services; and
(H)—planning, programming, and management services;

(2) waive any surcharge for administrative services; chargeable; and

(3) in connection with the NATO E-3A Cooperative Programme for fiscal year 1982, assume contingent liability for

(A)—program losses resulting from the gross negligence of any contracting officer of the United States;
(B)—identifiable taxes, customs duties, and other charges levied within the United States on the program; and
(C)—the United States share of the unfunded termination liability.

Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriations Acts.

Title II authorizes a total of $20,405,113,000 for the Defense Department's research, development, test and evaluation activities in fiscal year 1982.

Section 202 provides that none of the funds authorized to be appropriated may be obligated or expended for the full-scale engineering development or procurement of a long-range combat aircraft before November 18, 1981, and that no funds may be obligated or expended for such purpose on or after this date if, in the interim, the Senate and House of Representatives each pass a resolution of disapproval of the President's bomber decision of October 2, 1981. Additionally, Section 202 contains a language provision designed to expedite consideration of a resolution of disapproval in

the Senate. Section 203 provides that none of the funds authorized to be appropriated may be obligated or expended for the development of an MX missile basing mode before November 18, 1981, and that none of those funds may be obligated for such purpose on or after that date, if, prior to November 18, 1981, the Senate and House of Representatives agree to a resolution of disapproval of the President's decision of October 2, 1981. Section 203 also contains a language provision designed to expedite consideration of a resolution of disapproval in the Senate.

In addition, Section 203 prohibits use of funds authorized for appropriation for research and development of an aircraft launching mode for the MX missile.

Title III authorizes a total of $62,161,740,000 for Department of Defense operation and maintenance (O&M) activities in fiscal year 1982. This amount represents an increase of $488,000 in the Department's amended request.

Section 302 amends Section 1001 of the fiscal year 1981 Defense Authorization Act (Public Law 96-342) by deleting the requirement for the Secretary of Defense to submit as part of his justification supporting the annual operation and maintenance request projections on combat readiness proposed to be maintained during the next fiscal year.

Section 303 prohibits the use of any appropriations authorized in Title III to civilianize military veterinary positions that are supporting research and development activities of the Department of Defense.

Section 304 prohibits the use of any appropriations authorized in Title III to contract out entire military medical facilities.

Section 305 authorizes up to $67,000,000 of the amount authorized in Title III to be appropriated for the Leased Satellite (LEASAT) communications system.

Title IV of the law provides that for fiscal year 1982 each component of the Armed Forces is authorized an end strength for active-duty personnel as follows:

Army, 780,300
Navy, 554,600
Marine Corps, 192,100
Air Force, 580,800

Section 402 extends through September 30, 1982, the requirement that the Army recruit no more than 35 percent non-high school graduates among its male non-prior service accessions, and prohibits the enlistment of individuals who are not high school graduates unless they score at or above the thirty-first percentile on the Armed Forces Qualification Test.

Section 403 requires that personnel performing physician assistant duties in the Air Force be commissioned officers.

Section 404 repeals the statutory limitation on the number of military dependents authorized to accompany service members to stations outside the United States.

Section 405 alters the title for the one-star flag grade for the Navy from "commodore admiral" to "commodore."

Section 406 extends for two years the authority for an educational loan forgiveness program for certain military enlistees.

Title V of the law provides that for fiscal year 1982 the Selected Reserve of each reserve component of the Armed Forces will be programmed to attain an average strength of not less than the following:

Army National Guard of the United States, 392,800
Army Reserve, 235,300
Naval Reserve, 87,600
Marine Corps Reserve, 37,600
Air Force Reserve, 62,800
Coast Guard Reserve, 12,000

Within the authorized strength for each reserve component, the number of reservists serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing or training the reserve components is authorized as follows:

Army National Guard of the United States, 11,439
Army Reserve, 6,285
Naval Reserve, 208
Marine Corps Reserve, 447
Air National Guard, 3,312
Air Force Reserve, 701

The number of reservists serving on full-time active duty may be increased by not more than 2 percent of the total number authorized when the Secretary of Defense determines such action is in the national interest.

Section 503 increases the number of reservists in certain grades authorized to be on active duty in support of the reserve components.

Section 504 requires the Secretary of Defense to submit the following:

—a report containing a plan for solving the present shortage of pretrained military manpower required for a mobilization, and
—a study of the potential impact on military capability during a mobilization of the use of federal civilian employees and employees of private contractors who are not subject to the Uniform Code of Military Justice.

Section 505 extends until September 30, 1985, the authority for the Selected Reserve affiliation bonus.

Title VI of the law provides in fiscal year 1982 an overall end strength authorization for civilian personnel—direct and indirect hire—in the Department of Defense of 1,024,500 that the Secretary of Defense shall apportion among the services.

The language of this title provides that of the civilian personnel allocated to the Department of the Army, the Secretary of the Army shall use not less than 16,800 of the number to relieve military personnel for the performance of other duties, and only 5,000 of the 16,800 may be indirect-hire personnel.

Section 602 repeals the requirement for a reduction in the number of senior-grade civilian employees in the Department of Defense.

Section 603 authorizes the Secretary of Defense to contract with college students to provide short-term technical support for government research and development laboratories.

Title VII of the law authorizes the military training student loads for each component of the Armed Forces, active and reserve, for fiscal year 1982.

Section 702 extends until August 31, 1982, the provision in Public Law 96-342 that alters the minimum number of qualified students required to maintain a Junior Reserve Officers' Training Corps (JROTC) unit from 100 students to 10 percent of the number of students enrolled in the institution who are at least 14 years of age, or 100 students, whichever is less.

Title VIII of the law authorizes $129,000,000 for fiscal year 1982 to carry out the programs authorized by the Federal Civil Defense Act of 1950.

Section 802 increases the amount authorized for Federal support of state personnel and administrative expenses associated with civil defense from $40,000,000 to $47,000,000.

Section 803 amends Title II of the Federal Civil Defense Act of 1950 to permit the use of attack-related civil defense resources for natural disaster preparedness as long as such use is consistent with attack-related civil defense preparedness.

Under Title IX, General Provisions, section 901 establishes a requirement for the annual authorization of appropriations for ammunition and other procurement not currently subject to annual authorization.

Section 902 establishes a requirement for the Secretary of Defense to submit an annual report on National Guard and Reserve component equipment.

Section 903 authorizes the President to defer the effective date of personnel end strength limitations for up to two months during a period of national emergency.

Section 904 amends the Posse Comitatus Act (Part I of subtitle A of title 10, United States Code) to clarify the authority for cooperation between military and civilian law enforcement officials by allowing the Secretary of Defense to share information and certain equipment with civilian law enforcement officials, as well as provide training to these officials in the operation of certain military equipment. Military personnel can operate and maintain the equipment made available under specified circumstances, but are restricted from direct participation in a search, seizure, arrest or similar activity unless otherwise authorized by law. The assistance authorized under this section cannot adversely affect military preparedness.

Section 906 eliminates the requirement for the use of customary charges in determining reimbursement schedules for physicians under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and also provides that the 12-month base period currently used for determining medical charges be adjusted at least once a year.

Section 907 increases the dollar thresholds for certain defense contract regulations, as follows:

—for using simplified small-purchase procedures from $10,000 to $25,000;

—for the certification threshold for the Truth in Negotiations Act (Public Law 87-653) from $100,000 to $500,000; and

—for the threshold below which the service secretaries have the power to authorize negotiations of contracts for experimental, development or research work or for making or furnishing property for experiment, test, development, or research from $100,000 to $5,000,000.

Section 908 provides that the following areas of procurement by the Department of Defense are not subject to the provisions of section 111 of the Federal Property and Administrative Services Act of 1949 (section 795 of title 40, United States Code):

—automatic data processing equipment or services for intelligence activities;

—cryptological activities related to the national security;

—command and control of military forces;

—equipment that is an integral part of a weapon or weapons system; or

—equipment or services that are critical to the direct fulfillment of military or intelligence missions.

Section 909, dealing with procurement policy in the armed services, alters current law as follows:

—amends section 2301 of title 10, United States Code, by providing a general policy for the procurement of property and services (including weapon systems and associated items) by the Department of Defense. Under the guidelines of the policy, property and services for the Department of Defense could be acquired by any kind of contract, other than cost-plus-a-percentage-of-cost-contracts, but including multiyear contracts, that would promote the interest of the United States. The guidelines would also provide that such contracts, when practicable, provide for the purchase of property at times and in quantities that would result in reduced cost to the government, provide incentives to contractors to improve productivity through investment, and provide for the achievement of economic-lot purchases and efficient production rates.

—amends section 2306 of title 10, United States Code, to authorize multiyear contracting for the procurement of services and related items of supply to be performed within the continental United States financed by funds made available for a single year. Such services and related items of supply may now be procured by multiyear contracts outside of the continental United States pursuant to section 2306 of title 10, United States Code.

—adds a new subsection 2306(h) to title 10, United States Code, authorizing the heads of military departments to make multiyear contracts for the purchase of property, including weapon systems and items and services associated with weapon systems, for periods of more than one year but not more than five years if the Secretary of the department (or other designated official) finds that certain specified criteria would be met and when funds are otherwise available. The provision directs the Secretary of Defense to prescribe regulations in a manner that would permit the most efficient use of multiyear procurement. The regulations issued under the authority of the new subsection could provide for contract cancellation provisions as necessary; could include contractor recurring and nonrecurring costs

recovery within contract cancellation provisions; and must provide that, to the extent practicable, multiyear contracting should be used to expand the industrial base of defense subcontractors, vendors, and suppliers. In addition, the new subsection 2306(h) provides that the regulations should not preclude or curtail competition, or the right of the military departments to terminate a prime contract wherein performance is deficient with respect to cost, quality, or schedule. Other provisions of the new subsection 2306(h) provide the following:

—require that the Committees on Armed Services and Appropriations of the Senate and the House of Representatives be notified in writing 30 days prior to the award of a multiyear contract if the contract contains a cancellation clause setting forth a cancellation ceiling in excess of $100 million;

—authorize multiyear contracts for the advance procurement of components, parts and materials necessary to manufacture weapon systems, for the purpose of achieving economic-lot purchases and to achieve more efficient production rates; and

—authorize the payment of cancellation or termination costs for a multiyear contract from appropriations made for the contract concerned, from appropriations available for procurement of the type of property concerned, or from funds specifically appropriated for cancellation or termination costs.

—requires the Secretary of Defense and the Director of the Office of Management and Budget to modify existing procurement regulations not later than 90 days after enactment to implement the amendments made by the new subsection 2306(h).

—exempts from the multiyear contracting authority granted by the new subsection 2306(h): (a) the Coast Guard and the National Aeronautics and Space Administration; (b) contracts for the construction, alteration or major repair or improvements to real property; and (c) contracts for the purchase of property to which section 111 of the Federal Property and Administrative Services Act of 1949 (automatic data processing equipment) applies.

—repeals section 810 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 89 Stat. 539), which imposes a $5 million ceiling on cancellation clauses contained in multiyear defense contracts.

Section 910 amends section 2358(1) of title 10, United States Code, to provide authority for the Department of Defense to engage in basic and applied research by grant as well as by contract.

Section 911 modifies the defense contract profit limitations of sections 2382 and 7300 of the Vinson-Trammel Act by repealing section 7300 and amending section 2382 to authorize the President, upon a declaration of war or national emergency, to prescribe such regulations as he determines are necessary to control excessive profits on defense contracts.

Section 912 extends for a year the base reuse planning language from the fiscal year 1977 Military Construction Act (Public Law 94-431), and authorizes the Secretary of Defense to make available

grants or other funds to communities affected by base closures, realignments, or cancellation of major defense contracts.

Section 913 prohibits the use of Department of Defense funds to pay, in connection with any contract awarded by the departments, a price differential for the purpose of relieving economic dislocations. A test program by the Defense Logistics Agency is provided for, however, with the above-mentioned prohibition not applicable to contracts entered into during fiscal year 1982 if the Secretary of Defense makes certain determinations.

Section 914 prohibits the Department of Defense from soliciting a bid from, awarding a contract to, extending an existing contract with, or approving when approval is required, the award of a subcontract to a contractor that has been debarred or suspended by another Federal agency.

Section 915 amends Chapter 931 of title 10, United States Code, to authorize the Secretary of the Air Force to modify existing and newly manufactured civil aircraft to configurations capable of carrying outsize and bulk military cargo, and provide financial incentives for civilian participation in the Civil Reserve Air Fleet program.

Section 916 authorizes the President to require registrants to submit social security numbers at the time of registration and to require the Secretary of Health and Human Services to furnish to the Director of Selective Service the names, dates of birth, addresses and social security numbers of individuals required to register. The information made available to Selective Service can be used only for the purpose of enforcement of the Military Selective Service Act. The Director of Selective Service is also required, upon request of the Secretary of Defense or Secretary of Transportation, to provide the Secretary of the service concerned with names and addresses of registrants for purposes of recruiting.

Section 917 requires the Secretary of the service concerned, or the Secretary of Defense in some circumstances, to submit a report if the unit cost growth of certain major defense systems exceeds designated cost growth thresholds.

Section 918 requires the Secretary of Defense to submit two reports containing recommendations for improving the efficiency and management of the Department of Defense, and including recommendations from the General Accounting Office (GAO) since January 1, 1979, together with the Department of Defense responses to the GAO reports.

Section 919 extends the reporting requirements contained in section 1006(c) of the Department of Defense Authorization Act of 1981 (Public Law 96-342) concerning allied contributions to the common defense.

Section 920 authorizes appropriations not to exceed $750,000 to provide logistical support, personnel services, and equipment for the bicentennial celebration of the American victory at Yorktown.

(H. Rept. 97-71, Part 1 (Armed Services), Part 2 (Judiciary) and Part 3 (Government Operations); S. Rept. 97-58; H. Conf. Rept. 97-311; H.A.S.C. 97-6; H.A.S.C. 97-10; H.A.S.C. 97-11) Date of enactment: December 1, 1981.

PUBLIC LAW 97-89 (H.R. 3454)

To authorize appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, and for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the United States Government, and for other purposes

Public Law 97-89 authorizes appropriations for fiscal year 1982 and supplemental appropriations for fiscal year 1981 for intelligence activities, including certain classified Department of Defense intelligence-related activities within the jurisdiction shared by this committee and the House Permanent Select Committee on Intelligence.

Intelligence-related activities are those reconnaissance, surveillance and target acquisition programs of the Defense Department which are funded either partially or totally outside the National Foreign Intelligence Program. Included are programs which provide:

(1) response to operational commander's needs for time-sensitive information on activities of foreign governments;

(2) response to national tasking of systems whose primary mission is supporting operating forces;

(3) trained personnel for intelligence duties;

(4) an intelligence personnel reserve; or

(5) research and development of capabilities needed to provide and support the above-listed activities.

Specifically excluded from the category of intelligence-related activities are programs which are so closely integrated with a weapon system that their primary function is to provide immediate-use targeting data. However, there are some programs which are not described by the above definition but which are designated as intelligence-related activities to ensure that Congress is provided a complete presentation of all costs associated with intelligence.

The House passed H.R. 3454 on July 13, 1981, and on July 16, 1981, the Senate passed H.R. 3454 after amending the House bill by striking all after the enacting clause and inserting the provisions of S. 1127, a similar Senate bill.

The amount of appropriations authorized for intelligence-related activities is classified. The specific authorizations are listed and described in the classified annex to the reports on H.R. 3454 which is in the custody of the Permanent Select Committee on Intelligence.

(H. Rept. 97-101, Part 1 (Intelligence) and Part 2 (Armed Services); S. Rept. 97-57; H. Conf. Rept. 97-332) Date of enactment: December 4, 1981.)

PUBLIC LAW 97-90 (H.R. 3413)

To authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes

Public Law 97-90, section 101, authorizes funds to be appropriated to the Department of Energy for fiscal year 1982 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the

armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy.

Section 102 authorizes funds to be appropriated to the Department of Energy for fiscal year 1982 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities—including land acquisition—and for acquisition and fabrication of capital equipment not related to construction, necessary for national security programs.

The amounts authorized to be appropriated are set forth in the following table:

DEPARTMENT OF ENERGY, FISCAL YEAR 1982 NATIONAL SECURITY PROGRAMS AUTHORIZATION H.R. 3413/S. 1549

[In millions of dollars]

Bill section	Fiscal year 1982 budget request	House Report 97-45	Senate Report 97-173	Public Law 97-90
Sec. 101—Operating expenses:				
Inertial confinement fusion	106.000	156.600	142.300	142.300
Naval reactors development	279.500	279.500	279.500	279.500
Weapons activities	2,348.300	2,352.300	2,348.300	2,352.300
Verification and control technology	48.900	48.900	50.400	50.400
Defense nuclear materials—production management	616.200	624.400	632.400	632.400
Defense nuclear materials—byproducts management	262.028	262.128	263.328	262.128
Nuclear materials safeguards and security	44.300	37.300	44.300	41.800
Security investigations	23.600	23.600	23.600	23.600
Total	3,728.828	3,784.728	3,784.128	3,784.428
Sec. 102—Plant and capital equipment:				
Inertial confinement fusion	11.000	11.000	11.000	11.000
Naval reactors development	47.000	35.000	47.000	47.000
Weapons activities	604.900	592.900	617.100	594.900
Verification and control technology	1.100	1.100	1.100	1.100
Defense nuclear materials—production management	492.200	513.400	553.400	525.400
Defense nuclear materials—byproducts management	107.672	122.672	147.672	152.672
Nuclear materials safeguards and security	3.700	3.700	3.700	3.700
Total	1,267.572	1,279.822	1,380.972	1,335.772
Grand total	4,996.400	5,064.550	5,165.100	5,120.200

Title II of Public Law 97-90 contains 13 general provisions. They are as follows:

Reprogramming.—Section 201 requires notice to the Appropriations and Armed Services Committees of the Congress and up to a 30-day waiting period for specific approval before funding can exceed authorization for any authorized project or to start any project that had not previously been authorized.

Limits on general plant projects.—Section 202 sets limitations on the initiation of general plant projects authorized by the act, limiting the current estimated cost for any project to $1 million. However this section also requires that the total cost for all general plant projects under the Act not exceed the estimated cost of all such projects by more than 10 percent.

Limits on construction projects.—Section 203 prohibits the start of any construction project (estimated to cost $5 million or more) authorized by the Act or any previous Act if the estimated cost exceeds the amount authorized for the project or the amount present-

ed to the Congress in justification data by more than 25 percent, unless the appropriate committees are notified and a period of 30 legislative days have expired, or unless such committees, prior to the expiration of 30 legislative days, notify the Secretary of Energy that there is no objection to starting the project.

Fund transfer authority.—Section 204 permits, subject to provisions in an appropriations act, funds authorized to be appropriated by the Act to be transferred to other agencies for performance of the work for which the appropriation is made and permits the merger of such funds with the appropriations to which they are transferred.

Authority for construction design.—Section 205 provides that within the amounts authorized by the Act for plant engineering and design, the Secretary may carry out advanced planning and construction designs and obtain architectural and engineering services in connection with any proposed construction projects. The Secretary is required to notify the appropriate committees of Congress in writing of the details of any projects where the estimated design cost is in excess of $300,000. Where planning and design costs exceed $2 million, the project must be specifically authorized by law.

Authority for emergency construction design.—Section 206 authorizes the performance of planning and design from available funds, in addition to the funds specifically authorized to be appropriated for planning and design for construction projects, when the Secretary of Energy determines that such planning and design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

Funds available for all national security programs of the Department of Energy.—Section 207 provides that, subject to appropriations Acts, funds authorized to be appropriated for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

Adjustments for pay increases.—Section 208 provides that appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

Availability of funds.—Section 209 provides that when so specified in an appropriation Act, amounts appropriated for "Operating expenses" or for "Plant and capital equipment" may remain available until expended.

Safeguarding certain unclassified information.—Section 210 amends the Atomic Energy Act of 1954, as amended, by permitting the Secretary of Energy, under certain constraints and conditions, to prohibit the unauthorized dissemination of certain unclassified information pertaining to the following:

(a) the design of production facilities or utilization facilities;

(b) security measures (including security plans, procedures, and equipment) for the physical protection of (1) production or utilization facilities, (2) nuclear materials contained in such facilities, or (3) nuclear material in transit; or

(c) the design, manufacture, or utilization of any nuclear weapon or component if the design, manufacture, or utilization of such weapon or component was contained in any information declassified or removed from the Restricted Data category by the Secretary or the heads of the predecessor agencies of the Department of Energy.

Nothing in section 210 authorizes the Secretary to withhold any pertinent information from the appropriate committees of Congress.

Arrest authority for persons authorized to carry firearms under the Atomic Energy Act of 1954.—Section 211 amends the Atomic Energy Act of 1954, as amended, to clarify the arrest authority of persons authorized to carry firearms under that Act. Most of the security functions at the Energy Department's nuclear installations are performed by contractors through the use of armed guards. Section 211 provides clear and unambiguous authority for Federal and contractor employees of the Department of Energy and the Nuclear Regulatory Commission who are authorized to carry firearms to make arrests without warrant for (1) apparent violation of a provision of the Atomic Energy Act of 1954 that may subject a person to a fine, imprisonment, or both; (2) any other Federal offense committed in their presence; or (3) any felony cognizable under the laws of the United States if that person has reasonable grounds to believe the person to be arrested has committed or is committing such felony.

Environmental studies and the nuclear weapons complex.—Section 212 provides that no appropriations authorized under this Act can be used for preparing any environmental impact statement with respect to the operation of any defense facility of the Department of Energy unless such a statement is required by statute or was in preparation at the date of enactment of this Act. Furthermore, no environmental impact statement can be started if its estimated cost will exceed $250,000 unless the Committees on Armed Services of the Senate and House of Representives specifically approve, or do not specifically disapprove, its preparation.

Plan for the permanent disposal of waste from atomic energy defense activities.—Section 213 requires the President to submit to the Committees on Armed Services of the Senate and of the House of Representatives not later than June 30, 1983, a report which sets forth his plans for the permanent disposal of high-level and transuranic wastes resulting from atomic energy defense activities.

(H. Rept. 97-45; S. Rept. 97-173; H. Conf. Rept. 97-342; H.A.S.C. 97-2; H.A.S.C. 97-3; H.A.S.C. 97-4). Date of enactment: December 4, 1981.

PUBLIC LAW 97-94 (H.R. 4591)

To amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes

Public Law 97-94 amends the Mineral Leasing Act for Acquired Lands to allow states to receive 50 percent of the revenues from mineral leases on lands acquired for military purposes (except the Naval Petroleum Reserves and National Oil Shale Reserves). Heretofore, all receipts from mineral leases on acquired military lands

were required by law to be deposited into the U.S. Treasury. None of the proceeds were distributed to the states containing the acquired military lands.

Public Law 97-94 treats the disposition of revenues received from the mineral leasing of lands acquired for military purposes in the same fashion as those revenues received from mineral leases on public domain lands and other acquired lands such as national forests.

The committee reported H.R. 4591 on October 22, 1981. H.R. 4591 was a substitute bill for H.R. 2990 on which the Subcommittee on Military Installations and Facilities held a hearing on July 16, 1981. H.R. 4591 was introduced to correct a technical deficiency in H.R. 2990.

H.R. 4591, which was signed into law on December 17, 1981, was passed by the House on November 4, 1981, and by the Senate on December 1, 1981.

(H. Rept. 97-296; S. Rept. 97-162; H.A.S.C. 97-18; H.A.S.C. 97-26)
Date of enactment: December 17, 1981.

PUBLIC LAW 97-99 (H.R. 3455)

To authorize certain construction at military installations for fiscal year 1982, and for other purposes

Public Law 97-99 provides military construction authorization and related authority in support of the military departments, reserve components, and the Department of Defense for fiscal year 1982 in the amount of $6,546,810,000.

Initially, the Department of Defense and the respective military departments submitted a request in the amount of $6,660,536,000 for new construction authorization for fiscal year 1982. Subsequently, the Department of Defense submitted an amended fiscal year 1982 request for $7,028,842,000 which was later revised by the department to $6,546,810,000.

As introduced, the fiscal year 1982 military construction authorization bill was H.R. 2920. Hearings on this bill, which incorporated the fiscal year 1982 budget amendment, were conducted by the Subcommittee on Military Installations and Facilities. The subcommittee met on nine separate occasions and reviewed in depth the projects contained in the Department of Defense requests. The construction proposals for the active forces contained in the requests submitted to the Congress included approximately 773 individual projects at 399 major military installations within the United States and overseas. In its deliberations, the subcommittee eliminated projects it felt could be deferred without impairing national security and, in certain instances, added projects where it was determined after receiving testimony and documentation that the priority was sufficiently high to warrant such action.

H.R. 3455, a clean bill superseding H.R. 2920, was reported by the full committee on May 12, 1981. It provided $6,978,497,000 in new authority. On June 4, 1981, the House passed H.R. 3455. On November 5, 1981, the Senate passed H.R. 3455 after amending it by striking all after the enacting clause and inserting the text of S. 1408, as amended, which provided new authorizations for fiscal year 1982 in the amount of $6,489,403,000.

The conference report on this legislation was adopted by both Houses on December 8, 1981, and contained new authorization totaling $6,546,810,000. The conference report total is $440,687,000 below the House figure, $57,407,000 above the Senate figure, and exactly the revised amount requested by the Department of Defense. The bill was signed into law on December 23, 1981.

A brief summary of the authorization in Public Law 97-99 follows:

Total authorization granted, fiscal year 1982

Title I (Army):	
Inside the United States	$389,036,000
Outside the United States	381,534,000
Minor construction	34,150,000
Subtotal	804,720,000
Title II (Navy):	
Inside the United States	970,268,000
Outside the United States	236,445,000
Minor construction	33,320,000
Subtotal	1,240,033,000
Title III (Air Force):	
Inside the United States	669,276,000
Outside the United States	560,550,000
Minor construction	28,680,000
Subtotal	1,258,506,000
Title IV (Defense Agencies)	276,605,000
Minor construction	6,210,000
Subtotal	282,815,000
Title V (North Atlantic Treaty Organization Infrastructure)	345,000,000
Title VI (Military Family Housing)	2,335,736,000
Title VIII (Guard and Reserve Forces Facilities):	
Army National Guard	60,000,000
Army Reserve	50,000,000
Naval and Marine Corps Reserve	35,000,000
Air National Guard	100,000,000
Air Force Reserve	35,000,000
Subtotal	280,000,000
Total granted by titles I, II, III, IV, V,VI, and VIII	6,546,810,000

Also included in the law are provisions to: (1) construct 200 units of manufactured housing at Fort Irwin, California, to permit a test of factory-built versus conventionally built housing; (2) begin implementation of a proposed Master Restationing Plan which is designed to enhance readiness by moving U.S. Army units in Germany closer to the eastern border in response to an improved Warsaw Pact offensive capability; and (3) continue the buildup of staging facilities in the Middle East and Indian Ocean areas for use by the U.S. Rapid Deployment Force.

Public Law 97-99 also contains the provisions of H.R. 4543 which amend Title 10, United States Code, Section 2665, to standardize the use of timber harvest receipts from Federal military lands with

that existing for such receipts from national forest lands. It entitles state and local governments to receive 25 percent of net receipts from timber harvesting on military installations located within their boundaries for public school and public road purposes.

The committee's report (H. Rept. 97-299) which accompanied H.R. 4543 was filed on October 22, 1981, and the bill was passed by the House on November 4. On November 5, the Senate adopted an identical provision (section 913) as a floor amendment during consideration of its fiscal year 1982 military construction authorization bill, S. 1408. Subsequently, in conference, the House conferees accepted the Senate language and it was incorporated as section 910 of the conference report accompanying H.R. 3455, the fiscal year 1982 military construction authorization act.

(H. Rept. 97-44; H Rept. 97-299; S. Rept. 97-141; H. Conf. Rept. 97-362; H.A.S.C. 97-9; H.A.S.C. 97-20) Date of enactment: December 23, 1981

Legislation Reported But Not Enacted

H.R. 3023

To authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves

H.R. 3023 would authorize $228,463,000 for the conservation, exploration, development, production, sale, and use of the naval petroleum reserves and the naval oil shale reserves for fiscal year 1982.

The committee's report on this legislation was filed on May 14, 1981, and the bill was passed by the House on June 11, 1981. In the Senate the bill was referred to the Committee on Armed Services on June 15, 1981. That committee has taken no action on the bill.

(H. Rept. 97-41; H.A.S.C. 97-5)

H.R. 3464

To amend title 10, United States Code, to provide that naval vessels of the United States may not be built in foreign shipyards

H.R. 3464 would make a part of permanent law the prohibition on construction of naval vessels in foreign shipyards, including major components of the hull or superstructure, that has been included in appropriation Acts each year since 1968. A committee amendment included a procedure whereby an exception to the prohibition on construction of a naval vessel, or major component of the hull or superstructure, may be made. The exception was included in recognition that circumstances might arise at some future time such that an exception would be in the national security interest of the United States.

A provision similar to H.R. 3464 was included in the Department of Defense Appropriations Act for fiscal year 1982 (Public Law 97-114). Under that provision, fiscal year 1982 funds may not be expended in foreign shipyards for the construction of naval vessels or major components of the hull or superstructure.

The committee's report on H.R. 3464 was filed on October 29, 1981, and the bill passed the House on November 4, 1981. H.R. 3464

was referred to the Senate Committee on Armed Services on November 5, 1981, but has not been reported by the Senate committee.

(H. Rept. 97-305; H.A.S.C. 97-23; H.A.S.C. 97-26)

H.R. 4448

To amend title 10, United States Code, to increase the number of Assistant Secretaries in the Department of Defense and for other purposes

H.R. 4448, a clean bill that reflected a subcommittee amendment to H.R. 4211 on which hearings were held, would authorize the establishment of three additional Assistant Secretaries of Defense, one of whom would be designated the Assistant Secretary of Defense for Command, Control, Communications and Intelligence, and one additional Assistant Secretary for each of the three military departments. The bill also would amend section 5315, title 5, United States Code, to conform the provisions of that section to the new structure of the Department of Defense.

The committee's report on the legislation was filed on October 27, 1981. The bill was sequentially referred to the Committee on Post Office and Civil Service and the Permanent Select Committee on Intelligence and was reported by the Intelligence Committee on November 12, 1981. The Committee on Post Office and Civil Service reported the bill adversely on November 20, 1981. No action on the bill has been scheduled by the Rules Committee to date.

(H. Rept. 97-300, Part 1 (Armed Services), Part 2 (Intelligence) and Part 3 (Post Office and Civil Service); H.A.S.C. 97-13; H.A.S.C. 97-26)

H.R. 4624

To amend title 10, United States Code, to provide employment protection for employees of nonappropriated fund instrumentalities of the Department of Defense who report violations of law or mismanagement

H.R. 4624 would provide employment protection for employees of nonappropriated fund instrumentalities of the Department of Defense who report violations of law or mismanagement. The 195,000 nonappropriated fund employees would be provided protection similar to that furnished Federal civil servants by the Civil Service Reform Act of 1978 (Public Law 95-454).

The bill would make the Secretary of Defense responsible for preventing unfavorable personnel actions against employees of nonappropriated fund instrumentalities who disclose violations of law, mismanagement, waste or abuse and for correcting any such unfavorable actions that were taken.

The Secretary of Defense would be required to prescribe the regulations needed to implement the legislation.

H.R. 4624 supersedes H.R. 2985, on which hearings were held. The committee reported on October 27, 1981, and the bill passed the House on November 4, 1981. H.R. 4624 was referred to the Senate Armed Services Committee on November 5, 1981, but has not been reported by the Senate committee to date.

(H. Rept. 97-297; H.A.S.C. 97-22; H.A.S.C. 97-26)

H.R. 4625

To authorize the Secretary of the Army to return to the Federal Republic of Germany certain works of art seized by the United States Army at the end of World War II

H.R. 4625, a clean bill incorporating subcommittee amendments, was reported to supersede H.R. 3555 on which hearings were held. The bill would authorize the Secretary of the Army to transfer to the Federal Republic of Germany, without compensation, certain works of art seized from the German government by the United States Army at the end of World War II. The bill would provide for establishment of a committee which would review all of the art items to determine those which are inappropriate for return because they glorify Hitler or the Nazi movement. The bill would further provide that no funds of the United States may be expended in connection with any transportation or handling costs incidental to the transfer.

The committee's report on H.R. 4625 was filed on October 27, 1981, and the bill passed the House on November 4. The legislation was reported by the Senate Armed Services Committee on December 10. (H. Rept. 97-298; S. Rept. 97-291; H.A.S.C. 97-21; H.A.S.C. 97-26).

H. RES. 287

To disapprove further production of Naval Petroleum Reserve Numbered 1 (Elk Hills) and Naval Petroleum Reserve Numbered 3 (Teapot Dome)

H. Res. 287 would have disapproved further production from the Naval Petroleum Reserves, notwithstanding the report and certification made by the President to Congress on October 6, 1981, pursuant to section 7422(c)(2)(B) of title 10, United States Code.

The committee's report on the resolution was filed on December 11, 1981. The Rules Committee took no action on the committee's request for a rule prior to adjournment on December 16, 1981. Since section 7422, title 10, United States Code, requires that any disapproval action must occur within 90 days of the President's submission of a report and certification, the time for action expired before the House convened the 2d Session.

(H. Rept. 97-392; H.A.S.C. 97-28)

S. 266

To amend title 38, United States Code, to provide for greater coordination and sharing of the medical facilities of the Veterans' Administration and the Department of Defense

S. 266 would direct the establishment of an interagency committee to assess the opportunities for sharing of existing medical resources, keep each other apprised of plans for any additional medical facilities and major new medical equipment, and review existing capabilities for sharing.

This measure also would establish a special priority for treating members of the Armed Forces during a period of war or national emergency.

H.R. 3502 was jointly referred to the Veterans' Affairs Committee and the Committee on Armed Services on May 7, 1981.

The Veterans' Affairs Committee favorably reported H.R. 3502 on May 12, 1981.

The Committee on Armed Services agreed to favorably report H.R. 3502, as amended, to the House on October 22, 1981. On November 4, 1981, H.R. 3502 passed the House. S. 266, a similar bill, was passed in lieu of H.R. 3502 after being amended to contain the language of H.R. 3502.

S. 266 is awaiting House-Senate conference action.

(H. Rept. 97-72, Part 1 (Veterans' Affairs) and Part 2 (Armed Services); S. Rept. 97-137 (Governmental Affairs); S. Rept. 97-196 (Veterans' Affairs); H.A.S.C. 97-16; H.A.S.C. 97-26)

Legislation Considered But Not Reported

H.R. 745

To amend title 10, United States Code, to establish a policy for improved and more flexible contracting procedures for the Department of Defense, to allow the Department of Defense to use multiyear procurement contracts under less restrictive conditions, and for other purposes

H.R. 745 was introduced as a result of the findings of the Defense Industrial Base Panel in the 96th Congress. It was intended to provide a greater degree of stability in contracting for defense goods and services and alleviate conditions leading to the erosion of companies from the defense industrial base.

The Readiness Subcommittee began hearings on H.R. 745, but prior to reporting it, the bill, with modifications, was accepted by the committee as an amendment to the fiscal year 1982 Defense authorization bill. (See Public Law 97-86.)

(H.A.S.C. 97-6, Part 5)

H.R. 2603

To authorize appropriations for the purchase of certain strategic and critical materials for storage in the National Defense Stockpile under the Strategic and Critical Materials Stock Piling Act

H.R. 2603 would authorize appropriations of $131 million for the acquisition of silver, $95 million for the acquisition of platinum, and $12 million for the acquisition of nickel. The Subcommittee on Seapower and Strategic and Critical Materials held hearings on the legislation on June 4, 1981, but no further action has been taken to the date of this report.

(H.A.S.C. 97-15)

H.R. 2784

To authorize the disposal of a certain quantity of silver from the National Defense Stockpile

H.R. 2784 would authorize the disposal of 139.5 million troy ounces of silver from the National Defense Stockpile. The Subcommittee on Seapower and Strategic and Critical Materials held hearings on the legislation on June 2 and 4, 1981, but no further action has been taken to the date of this report.

(H.A.S.C. 97-15)

H.R. 2912

To authorize appropriations for the acquisition of strategic and critical materials for the National Defense Stockpile and to authorize the disposal of certain materials currently held in the stockpile

H.R. 2912 would authorize appropriations of $2,140,000,000 for the acquisition of strategic and critical materials and would authorize the disposal of quantities of seven commodities currently held in the stockpile including 1,000,000 pounds of iodine; 1,500,000 carats of industrial diamond crushing bort; 710,253 pounds of mercuric oxide; 50,000 flasks of mercury; 6,000,000 pounds of mica, muscovite splittings; 25,000 pounds of mica, phlogopite splittings; and 139,500,000 troy ounces of silver.

The Subcommittee on Seapower and Strategic and Critical Materials held hearings on H.R. 2912 on June 2 and 4, 1981, and incorporated portions of the bill in legislation that was considered by the full committee on June 10, 1981, and submitted to the Budget Committee on June 12, 1981, for incorporation in the reconciliation bill (Public Law 97-35).

(H.A.S.C. 97-15)

H.R. 3364

To establish a national mineral and material policy and council, to provide for a secure minerals and materials base for the national economy and national security, and for other purposes

H.R. 3364 would create a Council on Minerals and Materials in the executive branch to coordinate and advise on matters of nonfuel mineral policy; provide for assessment of the mineral potential of the public lands and for a system for gaining access to the public lands for mineral exploration and development; reform the regulatory process; revise the tax laws to assist companies in meeting the capital expenses of equipment required by government-mandated pollution control laws; and amend the Strategic and Critical Materials Stock Piling Act of 1979 to allow for the purchases of stockpile materials from moneys earned from the sale of surplus stockpile materials without annual appropriations from Congress.

The Subcommittee on Seapower and Strategic and Critical Materials held hearings on H.R. 3364 on June 2 and 4, 1981, but no further action has been taken to date.

(H.A.S.C. 97-15)

H.R. 3946

To amend title 10, United States Code, to prohibit the construction of naval vessels, or major components of hulls or superstructures of naval vessels, in foreign shipyards

H.R. 3946 would make a part of permanent law the prohibition on construction of naval vessels in foreign shipyards, including major components of the hull or superstructure, that has been included in appropriation Acts each year since 1968.

The Subcommittee on Seapower and Strategic and Critical Materials held a hearing on September 24, 1981, to consider H.R. 3946 and H.R. 3464, essentially identical bills. The subcommittee report-

ed H.R. 3464, which is discussed elsewhere in this report, and accordingly took no further action on H.R. 3946.
(H.A.S.C. 97-23)

H.R. 4529

To authorize the transfer of fifteen excess naval vessels

H.R. 4529 would authorize the transfer, by sale or lease, of 15 naval vessels to certain foreign governments as follows:

(1) the sale of one auxiliary drydock of the ARD-12 class to the Government of Ecuador;

(2) the sale of two tank landing ships of the Suffolk County class and four minesweeping launches to the Government of Greece;

(3) the sale of two tank landing ships of the Suffolk County class to the Government of Italy;

(4) the sale of one patrol combatant of the Tacoma class to the Government of the Republic of Korea;

(5) the sale of one tank landing ship of the Suffolk County class and the lease of one oceanographic research ship of the Conrad class to the Government of Mexico;

(6) the sale of one destroyer tender of the Arcadia class to the Government of Pakistan; and,

(7) the sale of one surveying ship of the Sergeant George D. Keathley class and one auxiliary repair drydock of the ARD-12 class to the Coordination Council for North American Affairs (the Taiwan instrumentality referred to in section 10(a) of the Taiwan Relations Act (22 U.S.C. 3309)).

Section 7307 of title 10, United States Code, prohibits the sale, lease, grant, barter, transfer or disposal of a naval vessel in excess of 3,000 tons or less than 20 years of age to another nation unless the disposition thereof has been authorized by law.

The Subcommittee on Seapower and Strategic and Critical Materials held a hearing on H.R. 4529 on September 24, 1981, but no further action has been taken.

PROPOSALS FOR A NEW EDUCATIONAL ASSISTANCE PROGRAM

The Military Personnel and Compensation Subcommittee held 11 hearings on a variety of proposals to establish a new educational assistance program for military personnel. Each of the bills listed hereafter were considered during those hearings:

H.R. 1400

To amend title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces

H.R. 1811

To amend title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces

H.R. 2399

To amend title 38 of the United States Code to provide meaningful educational assistance to persons who serve in the Armed Forces

H.R. 2579

To amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1980, and to provide a career serviceperson's educational assistance program for members of the Armed Forces, and to amend title 10, United States Code, to authorize an educational leave of absence for members of the Armed Forces

H.R. 2790

To amend title 38, United States Code, to provide expanded opportunities for individuals to earn educational assistance benefits based on honorable active service in the Armed Forces, and for other purposes

H.R. 3340

To amend title 38, United States Code, to provide expanded opportunities for individuals to earn educational assistance benefits based on active service in the Armed Forces, and for other purposes

H.R. 3713

To amend title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces

H.R. 3997

To amend title 10, United States Code, to revise and expand the educational assistance program for members of the Selected Reserve

The principal piece of legislation relating to educational assistance under consideration is H.R. 1400 that was jointly referred to the Committee on Veterans' Affairs and the Committee on Armed Services, and reported favorably by the Veterans' Affairs Committee on May 19, 1981. The Military Personnel and Compensation Subcommittee will continue hearings on the bill in the 2d Session. A proposal from the Department of Defense on the subject is expected to be submitted during the 2d Session of the 97th Congress.

OTHER ACTIVITIES OF THE FULL COMMITTEE

REPORTS TO THE BUDGET COMMITTEE

FISCAL YEAR 1982

In its annual report to the Budget Committee, submitted on March 17, 1981, the committee expressed the belief that the President's budget request for defense as amended on March 10, 1981, would appear to be sufficient in fiscal year 1982. The President's budget requested $226.3 billion in budget authority and $188.8 billion in outlays for the National Defense Function. The committee noted that a more refined estimate might be possible after it had an opportunity to study the request further and after it had received more detailed information in support of the budget request.

The committee expressed concern that the budget request was based on a number of assumptions which, if they failed to materialize, would require some reduction in defense programs or additional funding beyond the budget request. The assumptions included:

(a) estimates for inflation for fiscal year 1982 and beyond that are significantly lower than the estimates used in the January budget submission;

(b) a variety of actions to effect cost savings; and

(c) a net savings of $849 million from sales of materials from the National Defense Stockpile.

The committee noted that the budget request included an allowance of $370 million for the cost of a number of legislative proposals in the area of personnel and compensation and expressed the view that a more realistic estimate for these items would be approximately double this amount.

Finally the committee noted that backup material for the budget was not available and that further delay could affect the timeliness of reporting of legislation. The committee also cautioned that the execution of many programs in the fiscal year 1982 budget is contingent upon early congressional action for the fiscal year 1981 supplemental, and therefore urged the Budget Committee to recommend timely action on the supplemental appropriations to preserve the integrity of the process.

(H.A.S.C. 97-6, Part 1)

FISCAL YEAR 1982 RECONCILIATION

On June 10, 1981, the Committee on Armed Services met to consider legislation to be reported to the Budget Committee pursuant to the direction contained in the conference report on H. Con. Res. 115, the First Congressional Budget Resolution for fiscal year 1982. The conference agreement on the First Budget Resolution for Fiscal year 1982 included reconciliation instructions to 15 commit-

tees of the House totaling $35.1 billion. The instruction to the Committee on Armed Services provided:

"The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983; and to reduce budget authority by $511,000,000 and outlays by $511,000,000 in fiscal year 1984."

The language of the reconciliation instruction to the Armed Services Committee effectively limited the areas in which the committee could act to pay and entitlements for active and retired military personnel, stockpile sales, and sale of oil from the naval petroleum reserves. Exising law provides for naval petroleum reserve production at the maximum economic rate. Accordingly, additional receipts did not appear to be feasible from that area.

The committee concluded that the reconciliation instructions to the Committee on Armed Services could best be satisfied by adopting legislation that would:

(1) authorize sales of excess materials from the strategic stockpile, authorize appropriations for the acquisition of strategic and critical materials, and make improvement in stockpile management;

(2) replace the current semi-annual cost-of-living adjustment mechanism for military retired pay with an annual adjustment contingent on a similar change being implemented in the civil service retirement system; and

(3) authorize an open enrollment period for the Survivor Benefit Plan to permit current nonparticipating military retirees to elect survivor protection.

The committee submitted its recommendation along with suggested report language and draft bill language to the Budget Committee on June 12, 1981. The committee recommendations, with only minor changes, were subsequently enacted into law as title II of the Reconciliation Bill (Public Law 97-35).

Continental Air Defense

As a part of its oversight activities, the Committee on Armed Services held a hearing on July 22 to examine continental air defense.

The hearing focused on the ability of the United States, in conjunction with Canada, to detect the approach of enemy bombers and to defend against such an attack. The committee heard from the Honorable Ike Skelton (D-Mo.), a committee member, who expressed concern that the diminished size and capabilities of our air defense forces might permit a Soviet attack with Backfire bombers. Mr. Skelton emphasized the urgency of rebuilding strategic air defenses in order to reduce vulnerability.

Dr. Richard D. DeLauer, Under Secretary of Defense for Research and Engineering; Gen. Lew Allen, Chief of Staff, United States Air Force; and Lt. Gen. James V. Hartinger, Commander in Chief, North American Air Defense Command and Aerospace De-

fense Command, testified concerning the threat of a Soviet bomber attack. General Allen testified that the growing Soviet threat and the gaps in "our low altitude and coastal surveillance coverage mean that existing surveillance systems cannot provide the tactical warning to enable our national command authorities and strategic retaliatory force to take appropriate actions." The witnesses discussed the development and implementation of an Air Defense Master Plan as a response to the threat. Major elements of the plan include modernization of warning and surveillance systems, building over-the-horizon backbreather radars, utilization of E-3A Airborne Warning and Control System (AWACS), and modernization of the air defense interceptor aircraft.

The matter has been referred to the Investigations Subcommittee, which will hold additional hearings early in 1982.

The President's Strategic Modernization Program

On October 2, 1981, President Reagan announced a comprehensive program for modernizing the strategic forces of the United States. In announcing this program, the President stated that the program's objective is to improve the capability of U.S. strategic forces so as to regain and maintain a strategic balance with the Soviet Union.

The President's proposed program has five mutually reinforcing elements, each of which is to be made as capable and as survivable as possible. In addition to recommending that significant improvements be made to all three legs of the U.S. strategic triad of nuclear forces; i.e., the air-breathing leg (bombers and cruise missiles), the land-based leg (intercontinental ballistic missiles) and the sea-based leg (sea-launched ballistic missiles), the program also recommends that significant improvements be made to the U.S. strategic command, control and communications system and to the U.S. continental air defense system.

On October 6, 1981, Secretary of Defense Caspar Weinberger appeared before the committee to present the details of the President's strategic modernization program. Secretary Weinberger was accompanied by Gen. David C. Jones, Chairman of the Joint Chiefs of Staff, and Dr. Richard D. DeLauer, Under Secretary of Defense for Research and Engineering. This hearing was to be the first in a series of hearings designed to review, in detail, the President's strategic recommendations. The hearing was foreshortened by the events surrounding the tragic assassination of Egyptian President Anwar Sadat.

The commitee plans to resume its review of the President's strategic modernization program during the 2d Session of the 97th Congress.

Committee Delegation Visits

DELEGATION VISIT TO THE INDIAN OCEAN AREA

A delegation of committee members visited the Indian Ocean region during the period January 6–17, 1981. Consisting of 12 members, the delegation met with leaders of governments in Singapore, India, Egypt and Greece.

The purpose of the meetings with the foreign leaders was to discuss the potential U.S. role in the Indian Ocean region and the prospects for peace and greater stability within their respective areas. A listing of the major officials interviewed in the countries visited indicates the depth to which the delegation went in trying to gather meaningful information on these issues:

Singapore: Prime Minister Lee Kuan Yew, Minister of Foreign Affairs Suppiah Dhanabalan, and Minister of Defense Howe Yoon Chong. The delegation also had a breakfast meeting with representatives of the American Business Council of Singapore and toured the bustling harbor which has become the third busiest seaport in the world after Rotterdam and Yokohama.

India: Prime Minister Indira Gandhi; Foreign Secretary Eric Gonsolves; senior officers of the three Indian military services; and members of the Indian Parliament including the Honorable Balram R. Jhakar, Speaker of the Lok Sabha (lower house). The delegation also visited the sprawling Bhabha Atomic Research Center (BARC) in Trombay where Dr. Homi N. Sethna, Chairman of the Indian Atomic Energy Commission, and Dr. R. Ramanna, the newly appointed director of BARC, explained the operations and goals of the Indian atomic energy program.

Egypt: President Anwar Sadat and Minister of Defense Ahmed Badawi. Following its meeting with President Sadat at his Aswan home, the delegation visited the Aswan Dam, built by the Soviet Union nearly 20 years ago, which produces half of Egypt's electric power.

Greece: Prime Minister George Rallis, Foreign Minister Constantine Mitsotakis, and Defense Minister Evangelos Averof-Tositsas. The delegation also met with Greek parliamentarians, including the Honorable Demetrios Papaspyrou, president of the Greek Parliament.

The delegation found that most of the leaders favored a more active role by the United States in world affairs, including their regions, and greater U.S. effort to counter Soviet adventurism in troubled parts of the world. The one exception was Indian Prime Minister Indira Gandhi who told the delegation she does not want superpower confrontation in the Indian Ocean area and said that both the United States and the Soviet Union should remove their military forces from the Indian Ocean. However, Indian leaders refused to ackowledge that the U.S. military presence in the Indian Ocean is in response to a growing Soviet presence in the region.

(Committee Print 3)

DELEGATION VISIT TO EASTERN EUROPE, THE FEDERAL REPUBLIC OF GERMANY AND FRANCE

During the period May 27 to June 9, 1981, a nine-member delegation led by Chairman Melvin Price visited Romania, Hungary, the Federal Republic of Germany and France.

The delegation's visit was to update the committee's information on conditions in Eastern Europe with emphasis on the prospects for greater regional stability and the possibility of a lessening of tensions in Poland and the area. The delegation sought the views of Eastern bloc leaders on the East-West military balance and the

possibility of future arms control negotiations between NATO and the Warsaw Pact.

The delegation visited the Federal Republic of Germany for discussions with senior military commanders on the present military balance in the central NATO region, on recent developments in realignments of force deployment in Europe and on problems of U.S. service personnel stationed in Europe. The delegation also visited the Paris Air Show—an international exposition of new developments in aircraft, avionics, propulsion, electronics and other technology having both military and civilian applications.

The trip to Romania and Hungary was the first official visit of an Armed Services Committee delegation to these countries. Many political and ideological differences were reviewed in frank exchanges and future visits by parliamentarians of the host countries to the United States were discussed.

Regarding the present military balance between NATO and the Warsaw Pact, the delegation's visit with U.S. military commanders in the Federal Republic of Germany highlighted the need to improve readiness and correct the serious deficiencies in airlift, weaponry, and support equipment that could result in serious sustainability problems should a crisis occur.

One of the delegation's major observations at the international air show was that European advances in technology have greatly reduced the technological lead that the United States has maintained over our allies and potential adversaries. The development of the Soviet heavy lift helicopter—the Mi-26—is unparalleled in terms of its size and capability. The delegation was pleased, however, that the United States was well represented in the exhibit by such equipment as the Air Force F-15 and F-16 aircraft, the joint NASA/DOD XV-15 tilt rotor vertical and short takeoff and landing aircraft, and the Navy's F-18 fighter/attack aircraft.

(Committee Print 12)

DELEGATION VISIT TO PANAMA AND BERMUDA

A delegation of committee members visited U.S. military installations in Panama and Bermuda during the period August 6–12, 1981.

The purpose of the visit was to receive briefings on the in-country situations affecting the future of these bases, their requirements for new construction, and the adequacy of morale, welfare, and recreation activities at the various installations.

While in Panama and Bermuda, the delegation also met with government leaders to discuss major issues concerning the U.S. presence in those countries.

The delegation's itinerary included visits and discussions with the following officials:

Panama: President Aristides Royo; U.S. Ambassador Ambler Moss; Dennis P. McAuliffe, Administrator of the Panama Canal Commission, and Lt. Gen. Wallace Nutting (USA), Commander-in-Chief of the U.S. Southern Command.

Bermuda: Governor Sir Richard Posnett; Premier David Gibbons; U.S. Consul General John Owens; and Capt. Steve Loftus, Commander of Bermuda Naval Air Station.

(Committee Print 10)

DELEGATION VISIT TO THE DEFENCE COMMITTEE OF THE HOUSE OF COMMONS

During the period October 16–19, 1981, a delegation of the Committee on Armed Services visited the United Kingdom to meet with members of the Defence Committee of the House of Commons. The visit was in furtherance of an informal agreement between the two committees to meet annually to discuss defense issues affecting each nation, as well as the North Atlantic Treaty Organization (NATO) as a whole. Members of the two committees met first in March of 1981 when a delegation from the Defence Committee visited Washington, D.C.

The issues discussed during the meeting were in three general areas: the state of the North Atlantic Alliance, manpower matters, and policies on procurement and sales of military equipment.

While in the United Kingdom, the delegation also visited a British military installation, the Royal Air Force (RAF) Base at Wittering, and a new British defense production facility at Neston, the Marconi Space and Defence Systems, Ltd., plant for the production of the Sting Ray light torpedo.

(Committee Print 14)

OTHER ACTIVITIES OF SUBCOMMITTEES

INVESTIGATIONS SUBCOMMITTEE

In fulfilling investigative and oversight responsibilities, the Investigations Subcommittee has under continuous study selected activities of the Department of Defense and a wide range of subjects brought to its attention by a number of sources, including Members of Congress, the General Accounting Office (GAO) and concerned citizens. In addition, the subcommittee has responded to inquiries by Members of Congress who have requested assistance in matters within the scope of the subcommittee jurisdiction.

In 1981 the subcommittee investigated 80 cases and examined 58 reports of the General Accounting Office falling within the subcommittee's responsibility. Most of this casework was resolved without the requirement for hearings or formal reports. However, during the 1st Session of the 97th Congress, the subcommittee conducted hearings on contingency U.S. military bases in the Western Pacific; the Army tank program; the acquisition process of the Department of Defense; issuance of Certificates of Competency and their impact on readiness; physical security at military bases; issues surrounding U.S. participation in international military evaluations; proposed procurement of the 9mm handgun; and medical support equipment procurement policies and practices. In addition, the subcommittee held classified briefings on Yellow Rain, Minuteman missile vulnerability, and Soviet military space activities. The subcommittee's Nonappropriated Fund Panel reviewed revisions proposed by the Department of Defense to the Armed Services Exchange Regulations.

Legislative actions of the subcommittee are discussed elsewhere in this report.

Studies which warranted full-scale examination are discussed below.

DEFENSE ACQUISITION PROCESS

On May 19, 1981, the subcommittee commenced hearings to examine the acquisition process in the Department of Defense. The hearings resulted from the subcommittee's concern that the process has been the object of much criticism and several studies. Despite all the attention, however, there seems to have been little, if any, improvement.

In 1981 the Department of Defense began to focus attention on improving the efficiency of the acquisition process and strengthening the viability of the defense industrial base. The Deputy Secretary of Defense directed a 30-day assessment of the defense acquisition system with the priority objectives of reducing cost, making the acquisition process more efficient, increasing the stability of

programs, and decreasing the acquisition time of military hardware. On April 30, 1981, the deputy secretary issued a memoradum that contained the results of that assessment. That document contains 32 specific recommendations to improve the process.

On May 19 and 20, 1981, the subcommittee received detailed testimony concerning each of these recommendations from witnesses from the Defense Department. On May 20 industry representatives testified in support of the recommendations. On June 11 a witness from the General Accounting Office (GAO) provided that agency's views concerning the recommendations. The GAO witness also expressed GAO's continued support of Office of Management and Budget Circular A-109.

On June 24 the subcommittee received testimony concerning Defense Department plans for implementing the recommendations.

At a hearing on October 7 the subcommittee received a report on progress in the implementation. At that hearing a list of programs canceled by the Department of Defense was provided the subcommittee.

The subcommittee intends to continue hearings to ensure implementation of the improvements identified in the April 30, 1981, Defense memorandum.

CONTINGENCY U.S. MILITARY BASES IN THE WESTERN PACIFIC

On June 25, 1981, the subcommittee held a hearing to examine the U.S. military base structure in the Western Pacific area. The hearing was the result of the subcommittee's concern that the United States, if it intends to remain a Pacific power, must maintain island bases to support the forces in the vast expanse of the Pacific.

The Department of Defense requires continued military access to, and use of, this important area, while denying such access and use to our potential adversaries. Testimony reflected that the United States has options available to develop a continued military presence in the area. Negotiations currently are being conducted with representatives of various governments in the Western Pacific to enable the United States to protect its area interests.

PHYSICAL SECURITY AT U.S. MILITARY BASES

A March 6, 1981, General Accounting Office report concluded the Department of Defense needs a "better system for assuring adequate security at reasonable cost on U.S. bases." On July 17 the subcommittee held a hearing to examine physical security at military bases.

The testimony suggested the Department of Defense has been relatively successful in the limited areas it targeted for defense-wide security emphasis; i.e., nuclear and chemical weapons and materials; arms, ammunition and explosives; and classified information. But problems exist in protecting the vast holdings of other defense assets, valued in the hundreds of billions of dollars. Despite the problems, the Office of the Secretary of Defense provides almost no management oversight and continues to delegate the entire responsibility for securing those other assets to the services

and local commanders. Consequently, comprehensive base security has not been achieved.

On November 5 the subcommittee issued a report that questioned the absence of a coordinated Department of Defense effort considering (1) the continuing incidents involving loss of government property, including terrorist attacks, vandalism, malicious destruction, and theft; and (2) the evidence of widely disparate security practices, sometimes inadequate, sometimes extravagant, both within and among the military departments. The report found that the failure of the Office of the Secretary of Defense to assume the full responsibility for physical security inherent in its mandate resulted in an uneven Defense Department physical security program. Responsible Defense officials had little or no idea how much is being spent on physical security and how many personnel are involved. The subcommittee also found that there is no comprehensive Defense-wide policy guidance on protecting such substantial assets as aircraft, air traffic control facilities, data processing facilities, petroleum, vehicles (including tanks and armored personnel carriers), communications and funds. High-level officials received few, if any, reports on security developments except in those areas designated "sensitive." Finally, Department of Defense participation in coordinated government-wide efforts to stem the flow of U.S. military arms to dangerous elements is inadequate.

The subcommittee recommended that the Office of the Secretary of Defense become involved in the complete spectrum of Defense Department physical security activities, issues, interests and problems. Management oversight at the Secretarial level should include comprehensive policy articulation, effective compliance and reporting mechanisms, official cognizance of security incidents, participation in government-wide efforts to curb the flow of military weapons to the private sector, and concern with planning, programming and budgeting. The subcommittee proposed that unwarranted variations in security arrangements at military installations be eliminated by establishing uniform Defense-wide policies. To facilitate rationalizing local security arrangements, the department should prescribe a uniform procedure for local commanders to follow in periodically analyzing their security requirements. Finally, the Office of the Secretary of Defense should organize inspection teams, with joint service representation, to visit Defense installations and facilitate implementation of cost-effective physical security measures and equipment.

(Committee Print 11; H.A.S.C. 97–17)

PROPOSED PROCUREMENT OF 9MM HANDGUN

On June 29, 1981, the Department of Defense announced its intention to procure a new 9mm handgun, designated the XM9, to replace the M1911A1 .45-caliber pistol and a variety of .38-caliber revolvers currently in inventories of the military departments. Over a period of several years the planned acquisition would total some 590,000 weapons at a cost in excess of $200 million, considering auxiliary equipment and other expenditures.

The announcement of the procurement stated the contract award was anticipated in January 1982 following competitive evaluation

of contractor proposals. The relatively brief periods allowed for responding to the Request for Proposals and subsequent testing of the candidate weapons caused the subcommittee to examine the 9mm conversion plan. In a hearing on July 27 the subcommittee sought to determine the need for the new handgun, how it would improve the combat capability of our armed forces, and where it ranks among the procurement priorities of the military departments.

Defense Department witnesses presented several arguments for procuring the new handgun. They testified it would standardize weapons and ammunition among the armed forces and ammunition with NATO nations. Departmental witnesses indicated the 9mm handgun, as compared to the .45-caliber pistol, would offer improvements in hit probability, safety, magazine capacity, weight and bulk, and stated it would also be easier for women to use. Finally, they contended that the age and cost of maintaining the .45-caliber pistol dictated replacement.

However, Defense witnesses acknowledged procurement of the 9mm handgun had a *very low* priority. It also became apparent all alternatives had not been fully explored.

As a result of the low priority placed on acquiring a new handgun and the questionable arguments presented in its behalf, the subcommittee recommended in its report on September 17, 1981, that the Secretary of Defense either cancel the proposed procurement or at least defer it indefinitely. Subsequently, the Investigations Subcommittee chairman and the chairman of the Defense Appropriations Subcommittee jointly wrote the Secretary of Defense requesting that the testing of the new 9mm handgun be completed but that no further procurement action be taken pending a full report by the Department of Defense.

(Committee Print 9; H.A.S.C. 97-19)

MEDICAL SUPPORT EQUIPMENT

On July 30, 1981, the subcommittee began hearings on medical support equipment procurement policies and practices. The hearings were prompted by several critical reports by the Army Audit Agency, the Army Inspector General and the House Appropriations Committee. Those reports indicated the Army may be purchasing new equipment on some occasions when used, but serviceable, equipment is available, particularly when new medical facilities are designed and constructed.

The reports contained several common themes which underscore problem areas. First, the justifications advanced by medical units for purchasing new medical equipment are often inadequate. Some evidence indicates new medical equipment may have been ordered automatically when used items reached or exceeded their predetermined "life expectancy" without evaluation of their continuing serviceability. Also, justifications for new equipment have contained significantly distorted information; e.g., maintenance requirements on equipment nominated for replacement have been exaggerated, and workload data has been overstated.

A second problem area was the apparent noncompetitive nature of many of the proposed acquisitions. A final problem area was the

handling and disposition of excess equipment. During this era of rapidly advancing medical technology, the useful life of medical equipment averages only eight years. As a result of this relatively brief life, it is imperative that excess medical equipment be redistributed expeditiously to facilities where it can be used. Yet it took some 32 months to complete the reallocation of excess equipment at the new Walter Reed Army medical facility which began operation in 1978.

The subcommittee found that each of the criticisms recounted above has some merit but found the Army had in large part discovered those faults through its own investigative agencies and had already taken steps which should eventually correct many of the problems.

The subcommittee further found the other military departments encountered similar difficulties, especially in the construction of new facilities. It also found that the Office of the Secretary of Defense has provided very little management oversight of service medical support equipment practices, despite the similarity of many of the problems encountered by each of the services.

The subcommittee also examined Defense Department and individual service investment strategies for medical support equipment. It found that no overall Defense investment strategy exists. Furthermore, it found that the services employ only the most rudimentary techniques in planning their future equipment investments. Consequently, the subcommittee delayed development of a set of indicators based on Defense investment strategy for Congress to use in evaluating proposed Defense medical support programs. In 1982 the subcommittee intends to explore the methods and procedures employed by other governments as well as civilian health care agencies in arriving at investment strategies for medical support equipment.

INTERNATIONAL MILITARY EVALUATIONS

On October 20, 1981, the subcommittee met jointly with the Readiness Subcommittee to examine the issues surrounding U.S. participation in international military competitions and to provide the Congress with an appreciation of how our forces compare with those of our allies.

The subcommittees found the U.S. Army and Air Force record in major international military competitions in 1981 was outstanding. The Army won six of seven competitions and placed a strong third in the other. The Air Force won four of the five competitions.

The hearing also revealed that international military competitions contribute to improving combat capability. Participants gain professionalism, leadership experience, esprit de corps, and respect for allies. Competitions also test U.S. training methods, equipment, doctrine, and procedures in the most exacting circumstances, reveal shortcomings, and suggest improvements. In sum, no other peacetime military activity offers the unique combination of combat-related challenges and other advantages afforded by realistic international military competitions.

A joint subcommittee report on the investigation of international military competitions is planned for 1982.

IMPACT ON READINESS OF ISSUING OF CERTIFICATES OF COMPETENCY

On November 4, 1981, the subcommittee held a hearing on the issuance of Certificates of Competency and their impact on readiness.

A contracting officer must make two determinations before a contract can be awarded to the offeror whose bid is most advantageous to the government. He must find an offeror's bid responsive to the government's solicitation. Secondly, he must find that the contractor is a responsible contractor; that is, that the firm is capable of performing the contract.

The procedures concerning a small business are unique is some ways. If a contracting officer determines that a small business is not responsible, the Small Business Act requires the contracting officer to refer the matter to the Small Business Administration Office. The contractor is then provided the opportunity to apply to the Small Business Administration (SBA) for a Certificate of Competency (COC). If, after an evaluation of the firm, the SBA determines the firm is capable to performing, that agency may issue a COC. A COC is essentially a certification of the Small Business Administration that the small business is able to perform a specific government contract. The contracting officer may appeal the SBA's decision to issue the certificate, but the SBA's determination will be final.

In the 96th Congress the House Armed Services Committee conducted extensive hearings on the status of the defense industrial base and concluded that the defense industrial base has deteriorated and is in danger of further degradation. The small business community is an integral part of that industrial base; therefore, it is essential that the small business base become as stable and efficient as possible.

The issuance of COCs to small businesses is one procedure that was intended to result in an expanded small business base. However, this procedure should not hinder military readiness. In exercising its oversight responsibility, the subcommittee began an examination to determine what effect, if any, the issuance of these COCs has had on military readiness.

ARMY TANK PROGRAM

On November 5, 1981, the subcommittee continued its periodic examination of the Army tank program. These examinations have been conducted in each of the past several years.

The Vice Chief of Staff of the Army testified that the first M-1 battalion was fielded at Fort Hood, Texas, and successfully completed operational testing. On the basis of that testing, the Army recommended full-scale production of the tank. While the Army seems to have corrected many of the problems identified in earlier testing, there are still some problem areas; for example, track life, the ratio of maintenance time to operating time, and power-train durability. The Army is continuing to seek solutions to these problems but believes they are not sufficiently serious to delay deployment of the tank.

Concern over the reliability and durability of the turbine engine led the committee to initate the development of an alternate diesel

engine for the M–1 tank. That program, which was funded in fiscal years 1979 and 1980, led to testing of the diesel engine in the M–1 tank. The program called for an initial 1,000-hour test of the improved diesel engine.

In September 1981, after 219 test hours, the contractor stopped the test because of difficulties that were being experienced in the testing. The test was scheduled to restart in January 1982.

The Vice Chief of Staff informed the subcommittee that the Army does not know at this time whether the diesel engine under test is a workable substitute for the turbine.

The subcommittee continues to believe the diesel engine development must be carried out in order to ensure that if the problems with the turbine engine cannot be corrected, there will be a suitable engine for the M–1 tank.

As the production curve of the M–1 has risen, the Army has been reducing the production rates for the M60A3 tank. Ideally, the Army would like to continue producing both the M60 and the M–1; however, the Army's overall funding priorities prevent keeping the M60 line open to buy M60s solely for the U.S. Army.

The Army recognizes that keeping an M60 production line operating has several important benefits. First, in case of a national emergency tanks could be produced more quickly than if the line were closed. Secondly, if tanks were needed for allies or for sale to friendly governments, they could be provided without being withdrawn from the Army's inventory. The administration has proposed a special defense acquisition fund which, if established, could be used to keep the M60 line open.

NONAPPROPRIATED FUND PANEL

The Nonappropriated Fund (NAF) Panel of the Investigations Subcommittee held a meeting on July 16, 1981, to review revisions proposed by the Department of Defense (DOD) to the Armed Services Exchange Regulations as submitted to the committee on March 18 and June 16, 1981.

The changes would permit dependents of reservists to use their sponsors' exchange privileges, delete cost/price limitations on certain items, permit convenience stores to stock a range of items without obtaining an annual exception, extend exchange privileges to survivors of partly disabled veterans whose deaths were determined to be service-connected, revise the pricing policy to permit markups on essential goods and services to be lower than markups on discretionary goods and services, permit the implementation of a deferred payment plan at remote installations in Alaska, and authorize the sale of microwave ovens at exchanges located within the Continental United States (CONUS).

After reviewing the proposed changes the panel recommended to the chairman of the full committee the approval of these revisions except for extending exchange privileges to survivors of partly disabled veterans whose deaths were determined to be service-connected. The panel recommended this proposal be rejected because it would not benefit partly disabled living veterans but would benefit their survivors. The panel recommended that a deferred payment plan in Alaska be implemented but only at 16 remote and

isolated locations where military personnel are unaccompanied. It also recommended the removal of cost/price limitations where requested. The panel generally agreed with the proposed revision in pricing policy whereby markups on required goods and services would be less than markups on discretionary items. However, the panel recommended this change be delayed until DOD advised the committee of the impact such a change would have on exchange profits and dividends to morale, welfare and recreation programs. In connection with the approval of microwave ovens, the panel reiterated its support of DOD policy to favor and promote the sale of U.S.-manufactured items in nonappropriated fund instrumentalities.

The National Guard Association of the United States requested that the panel authorize commissary privileges for guard and reserve members, accrued for performance of active duty in excess of 72 hours, on a commensurate basis throughout the year. The panel recommended this proposal be rejected. DOD opposed this change as it considers commissary privileges a major institutional benefit of active military service. Also, the estimated increase in appropriated funds needed to support this change was calculated by DOD to be $193 million the first year and $100 million per year thereafter.

Existing regulations did not authorize exchange and commissary privileges for the surviving dependent parent of a service member who dies while on active duty. The panel recommended the exchange and commissary regulations be amended to correct this oversight.

The panel submitted its recommendations to the chairman of the full committee, and on July 17, 1981, the chairman advised DOD that the committee had no objection to the proposed changes except for extending privileges to survivors of partly disabled veterans whose deaths were determined to be service-connected. Also, DOD was advised to delay the change in pricing policy until the committee is advised of the impact such a change would have on exchange profits and dividends to morale, welfare and recreation (MWR) programs.

Fraud and corruption

The panel continued to follow and closely monitor the Federal Task Force's investigation into fraud and corruption in the Army and Air Force Exchange Service (AAFES). The Federal grand jury investigation, which has been concentrating on AAFES procurement and contracting, is in its fourth year. Indictments and/or convictions have been secured against 45 individuals, companies (including vendor representative firms), and AAFES employees as of December 1, 1981. In addition, 85 firms and/or individuals have been suspended or debarred from doing business with the Department of Defense, and 32 executive AAFES employees have been disciplined or separated for misconduct.

As a result of the panel's meeting in December 1980 with the Chiefs of Staff of the Army and Air Force and the Deputy Chief of Naval Operations, the Deputy Secretary of Defense ordered that AAFES suspension of contractors also should apply to Navy and Marine Corps exchanges. Prior to this initiative, suspension actions

taken by the AAFES commander applied only to that exchange service.

The Chiefs of Staff of the Army and Air Force submitted a report and plan to the panel in January 1981 describing actions intended to eliminate fraud and abuse in AAFES. In spite of these initiatives, the panel learned that indictments reflected that bribery, corruption, and kickbacks were still taking place as recently as January 1981. The panel has delayed oversight hearings in order to allow for completion of the Federal Task Force investigation and the resultant grand jury actions.

The chairman of the NAF Panel authorized an investigation into the Navy Exchange System in March 1980 as a result of a series of newspaper articles describing various improprieties in the system. The investigation was broad in nature and included a review of the Navy Exchange System's organizational structure and management system.

The investigation did not uncover widespread fraud, embezzlement or kickbacks as had been alleged. The panel believes, however, that the Navy Exchange System is highly vulnerable to fraud and theft because of a lack of control over exchange operations, coupled with inadequate exchange security, an ineffective internal audit function, and a lack of system discipline. The investigation revealed a number of other deficiencies and weaknesses. Benefits resulting from the regionalization of exchange operations were not being fully realized, inventory losses were excessive, numerous exchanges and elements of exchange operations were experiencing significant losses, the use of military personnel was excessive, there was a need for an effective budget merchandise program, the method used to collect dishonored checks needed improvement, numerous unauthorized food sale locations at Navy bases were in competition with exchange outlets, and provisions included in Status of Forces Agreements related to employment of foreign nationals were having a severe financial impact on Navy exchanges.

In August 1981 the Vice Chief of Naval Operations advised the panel of actions implemented and planned to correct or improve some of these deficiencies and that the actions represent an initial phase in an ongoing program to monitor continuously the conditions cited in the panel's report.

Contracting out

As a result of direction received from the Office of Management and Budget, the military services have instituted various efforts for contracting out of commissaries. The panel has been monitoring those initiatives.

The Army will study contracting out of all aspects of commissary store operations except for procurement of goods and merchandise. The Air Force will study contracting out certain functions; namely, shelf-stocking and janitorial services. The Army plans to complete cost studies at Fort Leonard Wood, Missouri, and Yuma Proving Ground, Arizona, during fiscal year 1982 and to conduct cost studies at all domestic commissaries by the end of fiscal year 1985.

Military personnel place a high priority on commissaries and consider them a valuable form of nonmilitary compensation. In reporting the fiscal year 1982 Defense authorization bill (H. Rept. 97-

71, Part 1), the committee expressed its concern that efforts to contract out commissaries might be perceived by service members as an attempt to reduce this benefit, and could have a detrimental impact on retention. The report states the commissary privilege is of such value to individual service members the committee questions the wisdom of contracting out commissary operations. The report also states that prior to contracting out commissaries beyond that which currently exists, the committee expects the Secretary of Defense to provide a full report. The committee will continue to exercise its oversight responsibility in this matter.

As an alternative to contracting out the total operation of commissary stores, the Navy is considering the conversion of more than 3,000 of its civil service commissary employees to contract government employees. In essence, the Navy initiative would convert civil service employees to a nonappropriated fund category of civilian personnel who would be reimbursed from the Operation and Maintenance (O&M) appropriation.

The Navy estimates that such a conversion would save about $12 million annually when fully implemented. The savings would result from paying commissary employees salaries equal to local NAF scales rather than standard General Service and Wage Grade scales. In addition, the Navy believes its proposal would protect 1,200 enlisted billets for its sea-to-shore rotation, free its commissaries from civilian ceiling constraints and provide increased management flexibility.

The panel has a number of reservations concerning the Navy initiative. They include the projected savings, legal implications, labor relations, and possible loss of appropriated fund support to commissaries. Because of the potential impact on the military commissary system, including service to patrons, the panel has undertaken an in-depth evaluation of the Navy proposal.

Liquor ration controls

In April 1981 the panel completed an investigation of a proposed change to liquor ration controls for Army and Air Force personnel stationed in Europe. The proposal would require two ration-control card punches rather than one for the purchase of alcoholic beverages in a 1.75 liter bottle. The Army said the change was needed to combat alcohol abuse and eliminate blackmarketing.

Under a Status of Forces Agreement signed in 1959, service members in Germany are limited to buying five bottles per month from package beverage stores. At that time bottle sizes were fifths (25.6 oz.), quarts (32 oz.), and imperial quarts (38.4 oz.). Ration controls are maintained by issuing each authorized patron a ration-control card with five ration blocks for liquor. As a result, patrons could purchase five imperial quarts per month. In 1972 the ration policy was changed to permit the purchase of a ½-gallon bottle (64 oz.) with two ration punches. With conversion to the metric system and introduction of the 1.75 liter bottle (59.2 oz.) in 1977, a decision was made by the services, based on Army initiatives, to require only one ration punch when purchasing a 1.75 liter bottle.

The Class VI agencies of the Army and Air Force in Europe are the sole purchasers of duty-free alcoholic beverages sold by package stores, clubs, and other authorized organizations on military instal-

lations in Europe. The profits from package beverage stores are a major source of funds for MWR programs in Europe.

The panel investigation disclosed that the proposal would have little effect on controlling alcohol abuse. This is because (1) numerous alcohol products are sold on the German economy at competitive prices, (2) ration-controlled items account for only 56 percent of sales in Army package stores, (3) French commissaries ration only champagne and the Canadian Forces and British Army of the Rhine ration only whiskey and gin, and (4) in addition to officer and noncommissioned officer clubs, numerous NAF instrumentalities such as rod and gun clubs, sports centers, golf clubs, and ski clubs sell liquor by the drink.

The investigation revealed that blackmarketing of liquor in Germany is not a significant issue. The illegal turnover of duty-free items, including package store products, is a problem. An example of such activity is giving liquor to landlords to reduce rents. However, illegal turnover is primarily an enforcement mission and disciplinary problem rather than one correctable through ration control.

The proposed change could open the door to foreign producers. It would affect only the 1.75-liter bottle, a bottle used solely by American distilleries. Container sizes legalized for use in the U.S. metric system include the 1.75- and 1.0-liter bottles. Legal-size containers in the European common market include 1.5- and 1.0-liter bottles and the imperial quart.

The change in policy would severely impact package beverage store operations. It was estimated that when implemented, annual sales at these activities will be reduced $11.6 million and profits reduced by $8 million annually. Profits would be severely impacted because overhead costs will remain constant while sales decrease.

In April 1981 the panel advised the Secretary of the Army that while it supports his efforts to reduce alcohol abuse and illegal turnover of liquor, it was unable to determine how the proposed policy would achieve those goals, since only liquor sold in 1.75-liter bottles would be affected by the proposed change. Moreover, the panel believed the $8 million reduction in profits would severely diminish the quality of life of all personnel in Europe by reducing moneys available for MWR programs. The panel recommended the proposed changes to the ration control policy be deferred until the Army and Air Force conduct an in-depth review including the effectiveness of proposed actions. Upon receipt of this report consideration will be given to holding hearings on this issue.

Community club operation

A panel investigation of a community club located at the Defense Logistics Agency Supply Depot in Memphis, Tennessee, revealed that DOD and Army policies were being violated. The club did not provide lunch and evening meals, which are services offered by other clubs. Its income was generated from catering private parties and group functions, most of which compete with local businesses. Appropriated funds in excess of $40,000 were used to pay the salary of the club manager, maintain and repair the building, and pay miscellaneous expenses. The panel was particularly disturbed to

learn the club received taxpayer support when only 19 of the 229 club members were active-duty military personnel.

The panel informed both the Army and the Department of Defense of its findings in July 1981. The Army is correcting the problem in Memphis, and DOD is reviewing similar situations at other locations. DOD advised the panel that it will convert about 40 clubs to civilian post restaurants resulting in an annual savings of about $1 million to the taxpayer.

Nonappropriated fund construction

The panel completed a review of the Nonappropriated Fund Construction Report submitted semiannually to the committee by DOD. The report summarizes proposed and actual construction for commissaries, exchanges, service clubs, and other MWR activities. Construction expenditures exceed $200 million annually.

The panel's review stemmed from a General Accounting Office (GAO) report requested by the chairman of the NAF Panel because of the panel's concern over the inadequacy of MWR facilities overseas. GAO determined that a major portion of the funding was directed toward CONUS installations and that facilities were being constructed without consideration for the most urgent needs of active-duty personnel. Projects were also criticized for being larger than needed, poorly justified, and not primarily intended for active-duty use. The Secretary of Defense agreed with these findings and provided the panel with a description of actions that would be taken to improve management of the NAF program.

The panel's review of the construction report revealed that it contained numerous errors which limited its usefulness as a management tool in monitoring implementation of the GAO recommendations, or in fulfilling congressional oversight requirements. It also disclosed that the justifications provided for proposed projects lacked the critical support data such as alternative cost comparisons, market analyses, or existing base facility summaries needed to conduct appropriate evaluations.

In June 1981 the panel chairman advised the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics of the panel's findings. The chairman pointed out that certain information included in the report could be eliminated and the frequency of the report reduced without destroying its usefulness. Such streamlining would allow additional efforts to be focused on improving cost estimates, project justifications, and the ordering priorities for facility requirements.

DOD accepted the recommendations made by the panel.

Military Installations and Facilities Subcommittee

INTELLIGENCE-COMMUNITY CONSTRUCTION REQUIREMENTS AT FORT MEADE, MARYLAND

On June 18, 1981, the subcommittee conducted an oversight hearing on the Department of Defense notification to proceed with the award of a $600,000 architect-engineering contract for the design of a headquarters facility for the Army Intelligence and Security Command (INSCOM) at Fort Meade, Maryland. The design notifi-

cation had been issued pursuant to the proposed consolidation of INSCOM at Fort Meade, and closure of Vint Hill Farms Station, Virginia. The subcommittee was interested in the cost effectiveness, operational impact and construction requirements associated with the proposed action.

On July 17 the subcommittee agreed to notify the Secretary of Defense of its opposition to the award of the design contract for the headquarters facility at Fort Meade. On July 28 the Defense Department announced its decision to retain certain intelligence operations at Vint Hill Farms Station.

NAVY'S RELOCATION STUDY OF CERTAIN NAVY HEADQUARTERS ACTIVITIES FROM LEASED SPACE TO GOVERNMENT-OWNED SPACE IN THE NATIONAL CAPITAL REGION

On October 5, 1981, the subcommittee conducted a hearing to receive testimony from the Department of the Navy on its relocation study of certain headquarters activities from leased space to government-owned space in the national capital region.

On July 24 the Navy announced its proposal to consider transferring 18,000 personnel from seven rental locations into the Washington Navy Yard. The subcommittee was interested in the feasibility, cost and impact of such action.

Following testimony from the Navy, the General Services Administration, Members of Congress, local government officials and representatives of the private sector, it was determined the Navy could proceed with the award of design contracts for Phase I of the Washington Navy Yard development that would cost an estimated $17.1 million for fiscal year 1983 construction projects to accommodate approximately 1,200 personnel. The Navy subsequently withdrew its notice of intent to award design contracts for Phases II and III construction at the Navy Yard.

(H.A.S.C. 97-24)

REAL ESTATE ACQUISITION AND DISPOSAL REPORTS

The subcommittee, in its jurisdiction over real estate transactions proposed by the military services, held five oversight hearings during the 1st Session of the 97th Congress. During these hearings, 102 acquisition and disposal projects were considered; 101 were approved and 1 was deferred.

MINOR CONSTRUCTION PROJECTS

During the 1st Session of the 97th Congress, 85 urgent minor construction projects submitted by the military services were reviewed by the subcommittee; 83 were approved and 2 were deferred. The two deferred minor construction projects were subsequently approved upon receipt of additional information.

COST-VARIATION REPORTS

During the 1st Session of the 97th Congress, the subcommittee reviewed and approved 44 cost-variation reports submitted by the military services in accordance with section 603 of Public Law 96-125.

MILITARY PERSONNEL AND COMPENSATION SUBCOMMITTEE

MEETING WITH THE SUBCOMMITTEE ON MANPOWER AND PERSONNEL OF THE NORTH ATLANTIC ASSEMBLY

The Military Personnel and Compensation Subcommittee held a hearing on May 5, 1981, to receive a presentation by the Subcommittee on Manpower and Personnel of the North Atlantic Assembly (an interparliamentary assembly of the member countries of the North Atlantic Alliance) on the results of a comparative study of defense manpower policies and problems among member countries of the North Atlantic Treaty Organization (NATO). During the hearing, members of the Subcommittee on Manpower and Personnel, who are members of the parliamentary bodies of Britain, The Netherlands, Canada and Germany, presented results of the study to date and answered questions from members of the Subcommittee on Military Personnel and Compensation on specific aspects of manpower issues in the various NATO countries.
(H.A.S.C. 97-25)

BENEFITS FOR FORMER SPOUSES OF MILITARY RETIREES

By way of background, prior to 1975, the Federal government did not interject itself at all in the circumstances surrounding the divorce of a government employee or former employee.

Public Law 93-647, for the first time, authorized the Federal government to recognize a valid state court order garnisheeing or attaching the salary or retired pay of a government employee or former employee when that individual was not acting in accordance with court-ordered direction to pay alimony or child support resulting from a divorce settlement. This public law applied to military as well as civilian personnel.

Public Law 95-30 limits the amount of salary or retired pay that can be garnisheed or attached in these circumstances. In the case of an employee or former employee supporting dependents, 50 percent of disposable income can be attached; in the case of an employee of former employee without dependents, 60 percent of disposable income can be attached.

Finally, Public Law 95-366, authorized the assignment of retired pay of a *civilian* employee to a former spouse in accordance with a community property settlement. No limitation is imposed on the amount of retired pay that may be assigned for this purpose. This public law did *not* apply to military personnel.

To date, the Congress has viewed financial settlements between the parties involved in divorce as a matter to be resolved within state courts. The specific circumstances involved, in conjunction with the state's views on this legal matter, are best addressed, it has been argued, by a decentralized authority. For example, some eight states subscribe to a community property philosophy, while others hold unique views on alimony and child support. These views in the states have evolved as a result of individual cultural, social and religious heritages. The state's laws regarding divorce settlements are based on these complex deep-rooted foundations.

The recent U.S. Supreme Court ruling in the McCarty vs. McCarty (453 U.S. , 101 S. Ct. 2728, 69 L. Ed. 2d 589 (1981)) case

(that military retired pay cannot be considered as community property) has focused greater attention on the general subject area of benefits for the former spouse of a military member. The issue is more wide-ranging than the McCarty decision, however, addressing the role of military retired pay in financial settlements reached in conjunction with divorce, together with the procedures for implementing these settlements, as well as benefits for the former spouse in terms of a survivor annuity and commissary, exchange, and medical privileges.

The subcommittee held two days of hearings, on November 5 and December 8, 1981, receiving testimony from a wide range of witnesses including Members of Congress and associations representing active-duty and retired military personnel, dependents and former spouses. No further action was taken by the subcommittee; however, further hearings are expected during the 2nd Session.

Procurement and Military Nuclear Systems Subcommittee

THE LOS ALAMOS NATIONAL LABORATORY PROTECTIVE GUARD FORCE

Since its founding in 1943, the Los Alamos National Laboratory's primary mission has been nuclear weapons research and development. The laboratory complex includes 33 separately fenced technical sites in a total area of approximately 40,000 acres of rough, heavily forested mountainous terrain. Security must be provided for significant quantities of nuclear materials, nuclear weapons devices and components, and classified matter as well as invaluable research and development facilities not elsewhere available in the United States. Protection must be provided against the dangers of internal diversion, theft, espionage, sabotage and terrorist attack. Physical security is provided by the protective guard force by staffing fixed stations, by foot and motor patrols throughout the rugged terrain, and by control of the access to and within specific areas; i.e., areas which contain nuclear materials or nuclear devices, vulnerable computer equipment, etc.

Starting with military police units assigned to the Corps of Engineers Manhattan Engineering District in 1943, the Los Alamos facility utilized a federal protective guard force instead of switching to a civilian contractor protective force as was the case at many nuclear-related facilities in recent years. In June 1975, the Department of Energy's predecessor agency, the Energy Research and Development Administration, upgraded the physical security standards for protective forces to meet the concerns of a developing threat to nuclear facilities from presumed increasingly sophisticated terrorist groups. Actions were taken at Los Alamos to consolidate operations in order to meet the increased security requirements *without* increasing the size of the federal protective guard force. By the spring of 1978 it was obvious that the existing guard force could not meet mandated standards and that alternative ways of meeting the enhanced security requirements were necessary. The following alternatives were considered:

Increase the size of the federal protective guard force.

Develop electronic, electromechanical, surveillance and control systems to augment existing guard force capabilities.

Contract out a portion of the required protective services.
Contract out the total required protective services.

The Department of Energy was informed that current (1978) Presidential restraints on the growth of the overall federal work force precluded obtaining additional manpower for the Los Alamos protective force.

The second alternative was partially undertaken. It proved increasingly expensive and it provided limited success. An area as complex and diverse as the Los Alamos National Laboratory did not readily lend itself to security enhancement by the extensive use of sensors.

The third alternative was explored in depth and looked promising, at first, from a security protection standpoint. What was first envisioned was an *unarmed* contractor security force to provide guard services in the less sensitive areas, with the armed federal guard force being used to meet high security requirements such as the protection of nuclear material. However, it was concluded that a single, unified, armed security force was the only reasonable approach because of cost, scheduling problems, and other inherent operational weaknesses in a mixed force. This mandated a single armed force substantially larger than the force that was in existence at Los Alamos.

The fourth alternative required the Department of Energy to conduct a cost effectiveness study as established by terms of Circular A-76, a document issued by the Office of Management and Budget. According to the Department of Energy, the A-76 study, surprisingly, proved that a civilian protective force would cost less than a Federal protective force consisting of the same number of guards. Accordingly, on June 30, 1980, a request for proposals by qualified civilian companies to provide the requisite security services at the Los Alamos National Laboratory was issued.

On November 20, 1980, Congressman Manuel Lujan, Jr., in whose district the Los Alamos National Laboratory is located, requested the chairman of the full committee to consider having the committee conduct a fact-finding hearing on the seriousness of the security situation at Los Alamos. A hearing was held at Los Alamos on January 9, 1981, by subcommittee members Dan Daniel, of Virginia, and Marjorie S. Holt, of Maryland. Following are their conclusions, in part, as stated in a letter dated January 12, 1981, to the committee chairman:

As a result of our fact finding visit, we have concluded that a serious security problem now exists at the Los Alamos National Laboratory and that this problem will worsen in the absence of additional trained manpower and equipment. We agree with the opinion of DOE management, the laboratory director, and members of the protective force that the resources available are not sufficient to meet the most probable threats against the laboratory.

While it is possible that some savings to the government may be realized if the security function at the laboratory is contracted out, we believe that the savings, if any, cannot be quantified at this time and would be relatively small even if adequately quantified in the future. Moreover, it appears to us that the disadvantages of contracting out would outweigh any advantages.

On the basis of our review of the situation at the Los Alamos National Laboratory to date, we recommend that the protective security force be continued as a federal activity and that approximately 60 positions be added in order to restore and maintain the effectiveness of the force.

The Office of Management and Budget would not provide the Department of Energy the required additional 60 positions to enhance the Federal protective force. On October 4, 1981, a civilian protective force assumed responsibility for the security of the Los Alamos National Laboratory.

(H.A.S.C. 97-1)

URANIUM ORE RESIDUES: POTENTIAL HAZARDS AND DISPOSITION

After decades of research, important questions remain unanswered about the cancer risks of exposure to low-level ionizing radiation. Medical diagnosis and therapy, certain building materials, fallout from nuclear tests, the nuclear power cycle and mining and mining byproducts are among the many sources of low-level ionizing radiation.

Uranium for defense purposes is leached from ores which are subsequently left in piles near the mills where the uranium removal occurred. The Committee on Armed Services has legislative jurisdiction over the military applications of nuclear energy. Because of this responsibility, the committee is concerned with ultimate disposition of the piles of depleted ores as well as with those Federal facilities and sites which became contaminated with radioactivity through involvment in defense activities.

Section 213 of Public Law 96-540, the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981, requires the Secretary of Energy to develop a plan for determining the costs to the Federal Government of the disposition of defense-related uranium ore residues now commingled with comparable residues from commercial programs.

As stated previously, many if not most of the important questions remain unanswered about the cancer risks of exposure to low-level ionizing radiation. Uranium ore residue piles are a source of such radiation. Notwithstanding the serious lack of understanding of cause-effect and risk between low-level ionizing radiation and cancer, Public Law 95-604, the Uranium Mill Tailings Radiation Control Act of 1978, required the Environmental Protection Agency (EPA), the Nuclear Regulatory Commission (NRC) and the Department of Energy (DOE) to develop standards, promulgate regulations, and develop remedial action plans considered necessary to protect public health and the environment from the "potential hazards" of uranium ore residue tailings piles throughout the United States.

On June 24 and 25, 1981, the Subcommittee on Procurement and Military Nuclear Systems held hearings to receive testimony on the potential hazards and suggested disposition of the uranium mill tailings ore residues that contained some radium and emitted radon gas.

Testimony from experts indicated that very little is known about the actual risk to the public from the radon emitted by uranium ore residues on open lands. But regulations being proposed by EPA and NRC could cost the government billions of dollars for DOE compliance and would result in great additional costs to the public and industry alike on both inactive and licensed active sites with-

out adequate proof that the expenditures were necessary or productive.

Data presented at the hearings indicated there are 90,000 to 95,000 respiratory cancer deaths per year, of which 7,000 to 14,000 are considered to come from the naturally occurring radon emitted from undisturbed soils. By contrast, testimony indicated that the expenditure of hundreds of millions or billions of dollars might be required because of new regulations by EPA and NRC and that such regulations, at best, might prevent two additional cancer deaths each year from the open air piles, according to worst case theoretical estimates. Even the possibility that the open air piles are causing two additional deaths a year, however, could not be definitely substantiated. Perhaps no deaths could be attributed to the piles, according to some witnesses at the hearings, and no witnesses were aware of any death, due to the existence of residues, for 50 years or more.

EPA officials admitted that standards now under consideration should be reexamined. The Department of Energy also indicated second thoughts about the need for moving the piles of uranium ore residues from one area to another, particularly since it was noted that there was greater potential for harming the public and workers alike by moving a several hundred ton pile than by leaving it in place.

It was concluded that DOE, EPA and NRC must work together to come up with practical remedial actions based on real world experience, not on theoretical conjectures of what might happen many years from now.

(H.A.S.C. 97-14)

PROFIT LIMITATIONS ON DEFENSE CONTRACTS

On June 16, 17 and 18, 1981, the subcommittee held hearings on the necessity for profit limitations on defense contracts in the current contracting environment.

In the 96th Congress the Subcommittee on Investigations conducted a hearing on a waiver of the profit-limitation provisions of the Vinson-Trammell Act of 1934. The profit limits of the Vinson-Trammell Act were codified in the United States Code in § 2382 and 7300 of title 10. Section 2382 placed fixed profit limits of 12 percent on contracts or subcontracts over $10,000 for the construction of military aircraft. Section 7300 placed profit limits of 10 percent on contracts or subcontracts over $10,000 for the manufacture of naval vessels.

These profit limits of the Vinson-Trammell Act were superseded for many years by the Renegotiation Act of 1951. However, when the Renegotiation Act expired on September 30, 1976, the Vinson-Trammell Act provisions again became effective.

During the earlier hearing concerning the waiver, those who testified agreed the Vinson-Trammell Act provisions are antiquated, unworkable and ineffective. However, a wide variety of views was expressed by the witnesses concerning what type of legislation, if any, is necessary to control excess profits on defense contracts at the present time. Subsequently, as an interim measure, a waiver of these provisions until October 1, 1981, was included in the Defense

Authorization Act for fiscal year 1981 (Public Law 96-342), with a view to early committee hearings on some form of permanent legislation.

Subsequently, three days of hearings were conducted by the subcommittee and testimony was received from 43 witnesses representing government, academia and industry. The subcommittee was informed of the many existing controls and laws relating to the government procurement process designed to prevent contracting abuses, including excess profits, most of which were instituted within the last 20 years. Furthermore, history under the Renegotiation Act showed that cases pursued as excessive related almost exclusively to smaller companies, and mostly to those in the garment industries, thus apparently disputing the general presumption that excessive defense profits are mostly made by the largest defense contractors.

As a result of the hearings, the subcommittee concluded that adequate procurement mechanisms already exist to deter a contractor from realizing an excess profit during peacetime, providing responsible government personnel properly utilize existing mechanisms. Thus sections 2382 and 7300, title 10, U.S. Code, were no longer necessary as peacetime mechanisms.

However, the subcommittee further concluded that the demands and pressures during time of war or national emergency may well require additional regulation. Therefore, the subcommittee recommended that legislation be enacted for possible use in time of war or national emergency.

Legislation similar to that recommended by the subcommittee was enacted into law in the Department of Defense Authorization Act of 1982 (Public Law 97-86).

(Committee Print 8; H.A.S.C. 97-12)

ARMS CONTROL AND DISARMAMENT MATTERS

Under the rules of the committee, the Subcommittee on Procurement and Military Nuclear Systems is assigned oversight jurisdiction over arms control and disarmament matters. During the 2d Session of the 96th Congress, the SALT II treaty was presented to the Senate but not ratified. Negotiations continued toward a Comprehensive Test Ban Treaty and toward a Mutual and Balanced Force Reduction agreement in the European area. Active negotiations toward arms control and disarmament agreements came to a temporary halt during the organization of the Reagan Administration coincident with the 1st Session of the 97th Congress.

Early in 1981, the Administration announced that ratification of the SALT II treaty would not be pursued. At the same time, the Administration continued to support the NATO agreement of December 1979 to modernize and strengthen NATO's theater nuclear deterrent in view of the rapid buildup of Soviet intermediate-range missiles such as the SS-20. In the fall of 1981, the Administration agreed to begin negotiations on November 30, 1981, toward the achievement of an agreement to limit, or eliminate, intermediate-range nuclear weapons from Europe. The subcommittee began a series of hearings to review the arms control and disarmament policies of the Reagan Administration on November 16, 1981. The

witness at the hearing was Eugene V. Rostow, Director of the U.S. Arms Control and Disarmament Agency. Hearings will continue in the 2d Session of the 97th Congress.

DEFENSE PROCUREMENT PROCEDURES PANEL

On June 15, 1981, the chairman of the subcommittee appointed a special panel to review weapon systems acquisition policies and procedures within the Defense Department.

The five-member panel was chaired by Representative Dave McCurdy. Other panel members were Representatives Beverly B. Byron, Marvin Leath, Ken Kramer, and Duncan Hunter. The panel was instructed to report its findings and recommendations to the subcommittee by December 15, 1981. Accordingly, on July 21 the panel initiated a series of hearings into the Defense Department's weapon systems acquisition policies and procedures, focusing special attention on those which relate to program cost growth.

During the investigation the panel conducted 18 days of formal hearings, including 6 days of field hearings, and received testimony from over 100 witnesses. The witnesses included representatives from the Department of Defense, the military departments, the General Accounting Office, the Congressional Budget Office, defense prime contractors and sub-tier contractors, and private organizations. The issues addressed by the panel included weapon systems procurement strategies, defense production requirements, contractor production capabilities, management reporting, cost reporting and control, contract management, the Defense acquisition process, and the Defense budget process.

As the panel's investigation proceeded, it was determined that several factors contribute to the unanticipated cost growth experienced by many major weapon systems. These factors are the use of unrealistic inflation estimates, erroneous contractor and Defense Department cost estimates, program stretch-outs, changes in system specifications, unstable and inadequate budgeting, high-risk designing, and lack of competition. Further, the panel found that inadequate cost reporting on major weapon systems to the Congress inhibit proper congressional oversight. The panel also found sufficient evidence to suggest that the Secretary of Defense should review the Defense Department contract administrative services procedures to determine if improvement could be made in cost reporting and control. Finally, the panel found the present weapon systems acquisition process is not integrated nor synchronized with the Defense budget process which frequently results in inadequate defense budgets and ultimately contributes to unanticipated weapon systems cost growth.

The panel completed its investigation as directed and on December 15, 1981, presented the subcommittee with a report of its findings and recommendations.

(Committee Print 13; H.A.S.C. 97-31)

SEAPOWER AND STRATEGIC AND CRITICAL MATERIALS SUBCOMMITTEE

TRIDENT AND SSN-688 CONSTRUCTION PROGRAMS

On March 12 and 25, 1981, the Subcommittee on Seapower and Strategic and Critical Materials held oversight hearings on the Trident and SSN-688 submarine construction programs at the Electric Boat Division of General Dynamics Corporation. Testimony was received from VAdm. Earl B. Fowler, Commander, Naval Sea Systems Command, Department of the Navy, and Mr. P. Takis Veliotis, Executive Vice President, Marine, General Dynamics, and General Manager, Electric Boat Division, General Dynamics.

The subcommittee reviewed the dispute between the Navy and Electric Boat regarding the progress, or lack thereof, being made toward timely and quality delivery of Trident and SSN-688 submarines.

Since the hearings were held, substantial progress has been made. During 1981 Electric Boat delivered six SSN-688 submarines and delivered the first Trident submarine.

(H.A.S.C. 97-6, Part 3)

SHIP OVERHAULS

On April 8 and 9, 1981, the subcommittee met in joint session with the Readiness Subcommittee to conduct oversight hearings on the naval ship overhaul process.

The overhaul of Navy ships is a multibillion-dollar business. In recent years the cost of an average ship overhaul has more than doubled, from $10 million in 1975 to about $27 million in 1980. There have been instances when ships have returned to the fleet from an overhaul and experienced major breakdowns of critical equipment. The hearings were held to develop a better understanding of the complexities of the overhaul process and, if necessary, to identify corrective measures.

Testimony was received from Senators John Heinz and Arlen Specter of Pennsylvania; Mr. Edwin M. Hood, President, Shipbuilders Council of America; Mr Herbert Freinberg, General Manager of Operations, Bethlehem Steel Corporation; Mr. William E. Haggett, President and Chief Operating Officer, Bath Iron Works Corporation; Mr. Robert D. Bock, Chief Estimator and Manager of Navy Contracts and Special Projects, Norfolk Shipbuilding and Drydock Corporation; Mr. Gary Bowers, President, The Jonathan Corporation; Mr. Richard Goldbach, President, Metro Machine Corporation; RAdm. James H. Webber, Vice Commander, Naval Sea Systems Command; and RAdm. J. K. Nunneley, Director, Ships Maintenance and Modernization Division, Office of the Deputy Chief of Naval Operations (Logistics).

(H.A.S.C. 97-6, Part 3)

SALE OF COMMODITIES AUTHORIZED FOR DISPOSAL FROM THE NATIONAL DEFENSE STOCKPILE

On September 17, 1981, the subcommittee held an oversight hearing to receive testimony from the General Services Administration on plans for the sale of commodities authorized for disposal

from the National Defense Stockpile in fiscal year 1981 in the Omnibus Reconciliation Act of 1981 (Public Law 97-35). The testimony was directed primarily toward plans for the sale of silver.

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